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Impasse Continues Over How Surplus Line Insurance Should Be Regulated

The sticky issue of whether National Assn. of Insurance Commissioners should attempt to formulate a complete set of ground rules for the handling of surplus line insurance was gone over once again by members of the NAIC unauthorized insurance committee and members of industry and representatives of corporate insurance buyers last week in Chicago. Despite the repeated protestations of industry and the buyers that nothing more is needed than a modernizing of the NAIC guiding principles for surplus line insurance that were put out in 1957, certain members of the unauthorized insurance committee seem determined that a more elaborate and binding set of regulations be drawn.

Cyrus Magnusson of Minnesota is chairman of the committee. During all of its hearings he has played the role of moderator, taking no side, but he has patiently filled in background, kept tempers from getting too far out of hand by speaking in a quiet soothing tone, and he has provided an opportunity for all to speak who wanted to be heard, provided they would wait their turn.

The question of the degree of regulation that should be imposed on surplus line insurance is a relatively new one, at least in the terms in which it is presently being discussed. At the June, 1960, meeting in San Francisco, the industry found itself confronted with a complete model bill, running some 45 mimeographed pages, that dropped, so to speak, out of a clear sky. Introduced without warning, it was too much to be coped with at that time, but last fall hearings were held in St. Louis on a new version of the model bill, and by that time resistance had been mobilized by industry and a newly formed insurance consumers advisory committee, headed by Charles H. Groves of Colorado Fuel & Iron Co. Not one person who appeared for industry or the buyers at St. Louis had a kind word to say for the model bill. This was distressing to its chief backers, Lawrence E. Stern of the New Jersey department and Julius Wikler, former New York superintendent and now counsel to NAIC in its dealings with the U. S. government and counsel to the unauthorized insurance committee. Mr. Stern's in-

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Texts Of Industry, Buyer Drafts Of Guiding Principles For Surplus Line Insurance

Texts of the reports of the insurance consumers subcommittee and the all-industry advisory subcommittee to the NAIC unauthorized insurance committee are given below. Where differences between the two reports occur, the language of the insurance consumers subcommittee is given in italic, otherwise the texts of the two reports are identical. The only differences are in points 4 and 11.

1. Provide for the issuance of a license permitting the placing of surplus line business in a non-admitted insurer to a resident or non-resident licensed agent or to a resident or non-resident licensed broker and establish reasonable qualifications and license fee.

2. Provide that the business written through such licensees be placed in an insurer: (a) which is licensed in at least one state in the U. S. under the regulation by and subject to the discipline of a supervisory official; or (b) which maintains in the U. S. a trust fund for the benefit of policyholders and claimants in the U. S. Provide that the foregoing limitations may be waived upon filing with the insurance department a signed statement by the insured requesting insurance in a non-admitted insurer which does not meet the requirements of (a) or (b) hereof.

3. Require by appropriate provision that the non-admitted insurer in which such business is to be written shall be subject to process and jurisdiction of the courts of the state, having due regard for existing law with respect thereto.

Diligent Effort Provision

4. Require the originating agent or broker to certify in form satisfactory to the commissioner, or any person designated by him (*consumers subcommittee omits reference to designated person*), that diligent effort has been made to place the business in admitted insurers (*upon reasonable terms and conditions, if there are any in the state writing the kind or class of insurance involved, and no opportunity has been found to do so*). The commissioner shall have appropriate authority to require cancellation, following notice and hearing if requested, of any insurance improperly effected. (This sentence is omitted in consumers subcommittee report.)

5. Require the surplus line licensee promptly to furnish each insured written evidence of insurance, and modifications thereof, in respect to each policy effected in the non-admitted market, stating that the insurance has been placed in a non-admitted insurer, the name and address of each insurer and the proportion of insurance written by each, the general nature of coverage afforded and the

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Senate Anti-Trust Unit Comments On 1960

WASHINGTON—The annual report of the Senate anti-trust and monopoly subcommittee covering 1960 activities states that "It now appears that companies doing in excess of 80% of the business in the fire and casualty fields are in substantial agreement concerning principles of rate regulation which would drastically modify existing state laws in the direction of more effective competition."

The subcommittee refers to agree-

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Agents Want State Regulatory Action, Oppose Model Bills

Johnson Calls For United Front On No Prior Approval; Big I Program Is Voted

By KENNETH O. FORCE

PHILADELPHIA — The midyear meeting here of the National Board of State Directors of National Assn. of Insurance Agents and the annual meeting of Eastern Agents Conference was a relatively quiet affair. Many of the well known issues were discussed, but not much action was taken. Attendance was 450, relatively low for the populous east. The local committee did a good job and arrangements were A-1.

A new note was sounded by H. Clay Johnson of Royal-Globe, who is the spokesman for National Board, Assn. of Casualty & Surety Companies, and Inland Marine Underwriters Assn. in their effort to secure rate regulatory laws of the no prior approval variety. At an EAC session, Mr. Johnson issued a strong call for conference between representatives of the insurers to iron out their differences on this issue.

The approach of the three company organizations is a sincere attempt to preserve the agency system and keep it workable under present day competitive conditions, Mr. Johnson declared. It is to the agents' advantage that their companies be able to compete effectively in today's insurance market without being placed at a competitive disadvantage due to administrative procedures. In this manner the agents will themselves be more effective in meeting the insurance needs of the

(CONTINUED ON PAGE 39)

Tressler Succeeds Gibson At Helm Of American Mutual Re

David L. Tressler has been elected president and a director of American Mutual Reinsurance succeeding Joseph P. Gibson Jr.

David L. Tressler

Mr. Tressler was in the private practice of law from 1936 to 1942. He was associate counsel of Security Mutual Casualty until joining American Mutual Reinsurance in 1952 as counsel and claims manager. He was elected vice-president in 1955 and executive vice-president in 1960.

Mr. Gibson, who served as president since 1953, has been in insurance since 1919. He will act in an advisory capacity on insurance problems and will continue to act as manager of Mutual Atomic Energy Liability Underwriters.

G. K. Hooton, chief examiner of Illinois, left, with the outgoing chairman and new top officers of Midwest Territorial Conference of NAIA. Mr. Hooton was the installing officer, and is shown with Donald W. Perin Jr., Chicago, the outgoing chairman; William T. Dobson, Ann Arbor, the new 1st vice-chairman, and George A. Timm, Kenosha, who succeeds Mr. Perin as chairman.

NAIA Committees Report On Important Developments Occurring In The Business

PHILADELPHIA—The reports of working committees of National Assn. of Insurance Agents at the midyear meeting here reflect many of the important changes that are occurring in the fire and casualty business. Julian A. Lenke of Cincinnati, in his report for the property committee, warned agents that they shouldn't expect a letup in the pace or pattern of these changes.

Since the Atlantic City meeting of NAIA last fall, he pointed out, there has appeared a completely revised commercial property program, a new public and institutional property plan, and a special multi-peril policy program under which the motel form has appeared and the apartment house owners form is not far behind.

In his report for the casualty committee, Roy H. MacBean of Cranford, N.J., called attention to a number of changes. The territorial refinement studies by National Bureau and National Automobile Underwriters Assn. are scheduled in 13 additional states this year. The safe driver and merit rating plans are expected to be in all states before year end, he said.

Closer Liaison Necessary

The kind of changes which the business is undergoing make a better and closer understanding between producers and insurers a necessity, Mr. Lenke declared. In this area the NAIA through its officers, committees and staff are doing yeoman service.

Work with other business associations can prove fruitful, he added. He met with A. L. Benjamin, chairman of Building Owners Assn., for a discussion of insurance problems. Mr. Benjamin said building owners believe that while rates for apartments and office buildings should not be equal there should be a standard system of rating them for fire insurance. Mr. Lenke expects the owners will welcome the new apartment house multi-peril package policy. Mr. Benjamin feels that office building owners will welcome a similar policy suited to their needs.

The building owners' insurance committee has studied the accident frequency and severity of automatic elevators. Their figures indicate a much lower loss experience than on other types of elevators. The owners think National Bureau should study the matter to determine if a rate reduction is warranted.

Suggested Improvements

The technical conference subcommittee, composed of representatives of the several NAIA technical committees, suggested to Inter-Regional Insurance Conference simplification of application forms and letter of authority in the commercial property coverage. Agents also asked for a definition of commercial automobiles and a revision of the term "salesmen" to indicate only those salesman who have merchandise or stock with them away from the premises.

The subcommittee, Mr. Lenke said, also took up the matter of providing automatic off premises cover on stock furniture and fixtures in mercantile manufacturing and non-manufacturing non-reporting forms. This would have a maximum of 10% of $1,000, $5,000 or $10,000. IRIC indicated that this is under study. IRIC also has under study changes in rating that will improve the market for low valued dwelling risks. This includes a loss constant, an increase in minimum premium, change in term discount, and application of minimum premium per building and not per policy. The program has gone into effect in Mississippi and is expected to be filed by

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March Fire Losses Show 6.1% Decline

Fire losses in the U. S. in March amounted to $109,222,000, a 6.1% decrease from March, 1960, according to estimates of the National Board. The March total is down by 6.3% from losses in February, 1961.

Losses for the first three months of 1961 totaled $343,080,000, an increase of 11.9% over the similar period in 1960.

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McHugh At Buyer Meet

Donald P. McHugh, counsel to the Senate anti-trust and monopoly subcommittee investigating insurance, will be the featured speaker at the semi-annual dinner meeting May 8 of American Society of Insurance Management at Hotel Roosevelt, New York.

Mr. McHugh will discuss effective regulation of insurance.

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Robert W. Osler, president of Underwriters National, spoke at the April meeting of Indiana Health & Accident Claims Assn. at Indianapolis. He discussed "The Outlook for Social Legislation in the Health Insurance Field."

Hunt Order On Stock Cover For Mortgages Reversed

Judge Wallace in district court of Oklahoma county has reversed and vacated in whole the March 11, 1960, order of Commissioner Joe B. Hunt that St. Louis insurance group companies cease and desist from their practice of not allowing mortgagors in Oklahoma to purchase mutual insurance in satisfaction of the insurance requirements in the mortgage contracts owned or controlled by the St. Louis companies.

Although the group had obtained a stay of the order, they did not reject any mutual policies as mortgagors during the year they awaited the hearing of their appeal to district court. Mr. Hunt asked for a new trial but was overruled by Judge Wallace, and it is indicated the commissioner will appeal to the Oklahoma supreme court.

G. M. Fuller of Oklahoma City and F. L. Boehm, vice-president and general counsel of the St. Louis group, argued the case before Judge Wallace and Mr. Hunt was represented by Robert D. Allen.

The matter arose out of a complaint of a mutual agent in Oklahoma that Washington F.&M., Midwestern F.&M., St. Louis F.&M., and Ins. Co. of St. Louis, when lending the money on mortgaged property insisted that the insurance on such property be in stock companies, although not necessarily with members of the St. Louis group. It was brought out that the group, in fact, carried insurance on none of the properties on which it made mortgage loans.

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Pearl has transferred William H. Farne, special agent, from southern Virginia to West Virginia.

Rush Carter Named Trustee Of U. L. At Annual Meeting

Rush W. Carter, vice-president and western manager of Aetna Fire, was elected a trustee of Underwriters Laboratories at the annual meeting in Chicago last week, replacing the late Clinton W. Allen of Aetna. Thomas F. Ramsey was elected treasurer, replacing Harold F. Duncan, retired. All other trustees and officers were re-elected.

President Merwin Brandon said 1960 produced wide fluctuations in activity, a relatively small drop in the volume of labeled equipment and materials, and a sharp increase in the cost of factory inspection service. The total volume of labeled output was approximately 5% below the peak year of 1959, while the cost of factory inspection service increased about 20%.

Requested Special Consideration

The air conditioning and refrigeration industry requested special consideration for handling their equipment because of the rapidity of changes in models and the short lead time between design and production. As a consequence, testing facilities for this equipment are being moved to the station at Northbrook, Ill., and the number of hot rooms available are being increased from three to five. The new location will provide greater storage space, so that production models can be held for a while to enable clients to examine criticized equipment with staff engineers, thus saving the time taken to ship equipment back to the factory for such study.

Mr. Brandon reported that members of the UL staff talked to 218 groups of people totaling approximately 20,000 last year, and UL films were shown to approximately 190,000 people, exclusive of four television showings.

On UL Staff Since 1952

T. F. Ramsey, the new secretary of Underwriters Laboratories, has been on the UL staff since 1952 when he started as assistant to the treasurer. In 1955 he was promoted to assistant treasurer.

Mr. Duncan started with the Laboratories in 1921 in the label service department. He was transferred to the accounting department in 1930 and in 1941 was elected treasurer.

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Bond Producers Elect

National Assn. of Surety Bond Producers at its annual meeting in San Francisco elected James B. McKee, Nashville, president. He succeeds C. H. Ritter, Denver, who steps up to chairman. Vice-presidents named are Jack East Jr., Little Rock; John W. Overton, Montgomery, Ala., and Harry J. Collins, Los Angeles.

Regional vice-presidents are John J. Curtin, Cambridge, Mass.; R. Lewis Patton, Charlotte, N.C.; William Moore, Wichita; Thomas J. McCaffrey, Albuquerque, and William C. Nelson, Seattle.

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Chicago Adjusters Golf Outing

Adjusters Assn. of Chicago will hold its annual golf outing at Nordic Hills Country Club, June 15. William G. Coppock of L. J. Shaw & Co., may be contacted for details.

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National Board will prevew a new educational film, the Science of Fire, April 26 at the Johnny Victor Theatre in RCA Exhibition Hall, New York.

Management Improvement Plan Of NYFIRO Proves Value In Long Test

By JOHN N. COSGROVE

Critics sometimes contend that bureaus and their managers are unprogressive in their attitudes. New York Fire Insurance Rating Organization has refuted these commentators by adopting and successfully practicing for close to three years a management improvement program designed to help present managers discharge their duties more effectively, to develop within the organization future managers and supervisors and to bring greater efficiency in every phase of the operation.

Kenneth O. Smith, general manager of NYFIRO, and his colleagues determined in 1958 that Parkinson's law would never be allowed to penetrate their organization. This law provides among other things that paper work and other tasks will expand to fill the time available for their completion. A corollary is that personnel will be constantly added to handle the infinitely expanding detail.

Mr. Smith and his associates vetoed this law and all its implications when they undertook their management program. Their goal is a flexible operation which can be adapted to the changing needs of member companies, producers, the insuring public and all other interests served by NYFIRO. Accompanying an improved operation will be greater opportunities for staff members at every level.

Results Cited

While NYFIRO is far from ready to tally the results of its program, because they are continuing and cumulative, it has already realized substantial benefits. For example, since the start of the management improvement effort in 1958, the personnel of the organization has been reduced from 464 to 415—at the very time when demands for its services were at a high level and when the work it handles became increasingly complex due to changes in the business. This reduction in staff was not achieved by "firing" anyone, nor by systematic cutbacks, nor by imposing heavier work loads on individuals. It was made possible by non-replacement of retiring employes, by better distribution of work, and by greater general efficiency, much of it attributable to the program.

As set forth in its official manual for management improvement, the objectives of the program are: A sound recruitment and employment procedure; adequate and uniform training practices; recognition of persons with supervisory potential; special training of such persons; and improvement in public relations. Less formally stated, NYFIRO's aim is to increase the efficiency of all its offices by evaluating operations, training personnel, delegating responsibility more skillfully, and promoting good will among those it serves. Underlying these goals are continuing efforts to make all members of NYFIRO's staff aware of their responsibility to each other, to their departments, to the organization and to the insurance business.

Characteristic of NYFIRO's intelligent approach to its over-all improvement campaign was its management's realization that it had to start from the top down. Some organizations try to

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GAB Raises Sizer, Hunt In Cal., Ore.

General Adjustment Bureau has promoted Harl H. Sizer from manager at Portland, Ore., to regional manager of the valley area of northern California. With headquarters at Sacramento, he will supervise branches at Bakersfield, Chico, Fresno, Marysville, Merced, Modesto, Redding, Sacramento, Stockton, Susanville and Visalia. He joined GAB at Tacoma in 1945, being named manager at Portland in 1960.

Albert E. Hunt of the senior staff at Portland replaces Mr. Sizer as manager. He joined GAB at Portland in 1947 and was manager at Bend, Ore., from 1951 to 1955.

Underwriting Rules For IRIC MP Policy In Ky.

The Kentucky department has issued a bulletin designed to clarify underwriting requirements in connection with the writing of the new special multi-peril policy program of IRIC.

The department says the program is considered a class of insurance within itself, but companies writing it must be qualified to write property, casualty and surety. Any deviations currently on file for property, casualty and surety, when written separately do not automatically apply to the coverages when included in the special multi-peril policy, which already has a 25% credit factor built into its rating structure.

A company desiring to deviate from the multi-peril program must make appropriate filings according to law, but deviations must be on a single percentage basis applying uniformly to all coverage groups for both required and optional coverages, and the deviation shall apply after application of the built-in reduction factor and are not to be considered cumulative.

Companies will not be permitted to have the special program in effect and their own independent or deviated filings in effect at the same time.

Six Promoted At Home Office Of National Fire

National Fire has promoted Secretaries R. L. Breeding and C. L. Rolfe to vice-presidents; Assistant Secretaries F. H. Cooke and J. M. Gaskell to secretaries; and S. H. Goslee Jr. and W. W. Walker Jr. have been elected assistant secretaries.

Mr. Breeding joined National Fire


C. L. Rolfe


R. L. Breeding

in 1954 as marine supervisor at New Orleans. He went to the home office as marine superintendent in 1956 and was elected assistant secretary the next year. In 1959 he was advanced to secretary. He will have supervision of marine-multiple peril operations.

Vice-President O. A. Ogden, formerly in charge of marine-multiple peril operations, will continue his present administrative duties and in addition will assume added responsibility for countrywide production of all classes of business.

Joined Company In 1923

Mr. Rolfe has been with National Fire since 1923. He was field representative in Maryland, Pennsylvania and District of Columbia before being called to the home office in 1945 as superintendent of the loss department. He was elected assistant secretary in 1947 and secretary in 1952. He will continue to act as reinsurance and underwriting coordinator.

Mr. Cooke joined National at Boston as marine supervisor in 1954. In 1957 he moved to Hartford as agency superintendent. He was elected assistant secretary in 1959. He will continue to be responsible for agency production and field supervision in certain middle Atlantic and southern states.

Mr. Gaskell joined National in 1952 as marine loss superintendent at the home office. He became superintendent of the loss department in 1957 and was elected assistant secretary in 1959. He will assume responsibility for operation of the loss department, suc-

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Gerber Of Illinois Takes Penetrating Look At Agency System And Its Future

In his address at Arizona I-Day, Commissioner Joseph Gerber of Illinois gave a detailed analysis of current problems of agents with special emphasis on commissions.

"Commissions are an integral part of any rate program," he said. "If property insurance rates constitute a problem due to inadequacy or excessiveness, one cannot deny that commissions paid to insurance agents pose a problem. Commissions and rates cannot be distinguished. They must be studied and reviewed as one problem. Therefore, it is reasonable for the agents' associations or the brokers to take a positive approach to all rating matters, including amendment to the rating laws now on the statute books of the various states."

Asking, "What does the future hold in store for the producer in the rate regulatory system?" Mr. Gerber answered under five headings. He summed up his talk by remarking that the most important factor affecting the future of the agents is perhaps a psychological one.

"The agency system has been suffering from a complex of negation and frustration," he declared. "Their theme of the day is conflict and survival. Their position is a defensive one. Their competitors, on the other hand, display confidence and speak authoritatively. Optimism is their password, their creed. Their position is offensive—forward looking.

"Thus, the state of mind of the agency system is sickly. It is not geared for the bright future. One of the largest independents that leads the field in anti-uniformity of rating is typical of the school of optimism. I have never attended an insurance meeting or NAIC committee rate hearing but what this particular company had several representatives selling their concept of doing business. Their enthusiasm is genuinely uplifting, their attitude tough and self-assuring."

To his question about the future, Mr. Gerber said:

1. Agents and companies need to develop more adequate communication, not only in exchange of information but to resolve issues in logical fashion. This implies discussion in detail of matters affecting each side.

By itself, communication isn't sufficient, he declared. The companies have to assist agents in adopting efficient operations to reduce the cost of doing business. Mr. Gerber said he agrees with the statement of F. H. Oliver, deputy U. S. manager of Zurich, who said: "We believe that those companies and agencies which do not adopt a modern philosophy of operation will gradually lose their personal lines business."

Last To Adopt Mass Marketing

2. Insurance is the last of the major industries to adopt new concepts of mass marketing. Service is an important factor in the survival of the agency system, but by itself it isn't sufficient. "The facts speak for themselves," Mr. Gerber pointed out. "With all the services being rendered by the agency system in the past 10 years it has consistently been losing its fair share of the personal lines business. Agents are prone to say that the direct writers do not render equal service to insured—that they are owned lock, stock and barrel by the direct writer and do not have insured's interest. I do not believe that this is true because of one basic reason. While the direct writers may appeal to the public because of lower rates, the American buyer will not accept an inferior product, will not accept reduced service as an alternative to higher costs. The growth of the direct writers is satisfactory evidence that they do in fact render services to their policyholders."

New and dynamic concepts of merchandising have to be conceived, he added. Expanding or elaborating on old methods are useless measures, although Mr. Gerber made an exception of salesmanship, saying this has fallen into discard and the penalty for that is the emergence of the vending machine and the self-service concept, which are having their effect on the agency system.

The economy is geared to mass marketing and agents have an obligation to recognize changing times and fit their business into this process. The future of mass marketing implies greater use of automation, and "if there is further development of continuous policy forms and packaging of coverage, the agency system must accept these phenomena and use them for gain and profit."

Must Begin Campaign

3. The agency system must embark upon a campaign to win back its share of the personal lines business. Mr. Gerber said an inch of ground given is a set-back of miles. Not long ago an agent or broker was disinterested in writing CPLs because the $10 premium wasn't enough to make it profitable. A greater development of package coverage might mean that the loss of an auto policyholder will include CPL, homeowners and any other personal lines coverage.

4. "The agent must adopt a realistic attitude on all issues." Mr. Gerber observed that the agent "has been a critic, but not always constructive."

5. There may be changes in the

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Hartford Group Is Merging A&S Units; Two Are Advanced

Hartford Fire group is forming a new department by combining the separate A&S divisions for individual coverage now maintained by Hartford Accident and Hartford Life. The group coverage divisions were combined in 1960.

Thomas M. Meredith has been named manager, and Neil J. Brown assistant manager of the new unit. Both have been elected secretaries of the health department of Hartford Life and will continue as assistant secretaries of Hartford Accident. Christopher F. Lee, second vice-president of Hartford Life, who has been with the individual A&S unit of that company, will transfer to the sales department with responsibility for promoting these policies.

The provisions of the individual policies of Hartford Accident and Hartford Life are being brought into line and studies are being made for development of new covers. Hartford group contemplates establishment of underwriting departments in each departmental office for underwriting of individual A&S. Claim service for the new health unit at the home office is being handled in the field.

CPCU Annual And Seminar Card Set

The annual meeting and seminars of Society of CPCU will be held Sept. 24-29 at Washington.

Among subjects to be analyzed in the seminars are automobile insurance for senior citizens, inconsistencies of workmen's compensation, unsatisfied judgments, handling of personal lines and public relations. There will also be an appraisal of market surveys and a debate between the New York and Chicago chapters on net rate filing.

Seminar meetings are under the direction of the society's seminar board in coordination with the District of Columbia chapter. Chairman of the board is Alice M. Chellberg, American Mutual Alliance and director of the 1961 seminars is Edward E. Evans, Evans & Co.

A new slate of officers of the society will be elected by mail ballot and the results announced at the annual meeting. President for 1961 is Price M. McCulley, Shreveport, La.

The program will also include meetings of the directors, executive committee, and the chapter officers council, and the annual business meeting. Business sessions will be held by the board of annals, career guidance, research, and seminar.

The national conferment exercises of American Institute will take place at a luncheon Sept. 28.

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Worcester Mutual Moves HO

Worcester Mutual Fire will move its home office July 1 to the State Mutual Life building. The company's former home office has been sold to the Roman Catholic diocese of Worcester.

Pacific Advisory Group Picks Blalock

James T. Blalock, vice-president of Pacific Indemnity, was elected president of Pacific Coast Advisory Assn. at the annual meeting. The meeting at Santa Barbara, Cal., followed the annual convention of Pacific Insurance & Surety Conference.

Other new officers are Raymond A. McGuire, Pacific Employers, vice-president, and R. L. Bernard, Anchor Casualty, secretary-treasurer.

Elected to the board of governors are John T. Gurash, Pacific Employers; Clarence R. Herda, Pacific Indemnity; William H. McGee, Pacific Automobile; John Q. McClure, National Automobile & Casualty; James R. MacKay, Fireman's Fund; Vernon C. Dargan, Gulf; Stark Baker, Ohio Casualty; W. Russell Langtry, United Pacific; and Fred Drexler, Industrial Indemnity.

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Erb Joins American; Nesslar Is Promoted

Dean W. Erb has joined American's home office bond underwriting department in a supervisory capacity. He started as a special agent for North America at Pittsburgh in 1947. Later he was with Boston, and became home office bond manager.

John W. Nesslar has been promoted to bond manager at Dallas. He joined the company in 1957 as an underwriting supervisor at Chicago. Before that he spent seven years as a bond field man with Standard Accident.

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Wycoff-Flint agency of Chattanooga has purchased the Maynard agency here.

Five Named In Chicago Changes Of Western Adjustment

Harry K. Murray, executive manager of General Adjustment Bureau at Chicago for the Chicago Loop area, Wisconsin and Indiana, has been promoted to assistant general manager.

In other promotions, L. A. Reid, manager of the Chicago departmental marine division, has been made executive manager for Michigan. C. E. Jarrett Jr., Louisville manager, has been promoted to marine division manager at Chicago, and he is succeeded at Louisville by C. S. Townsend, who has been manager at Owensboro.

J. L. Pappas, manager of the subrogation division, has been made executive assistant in the Chicago departmental office.

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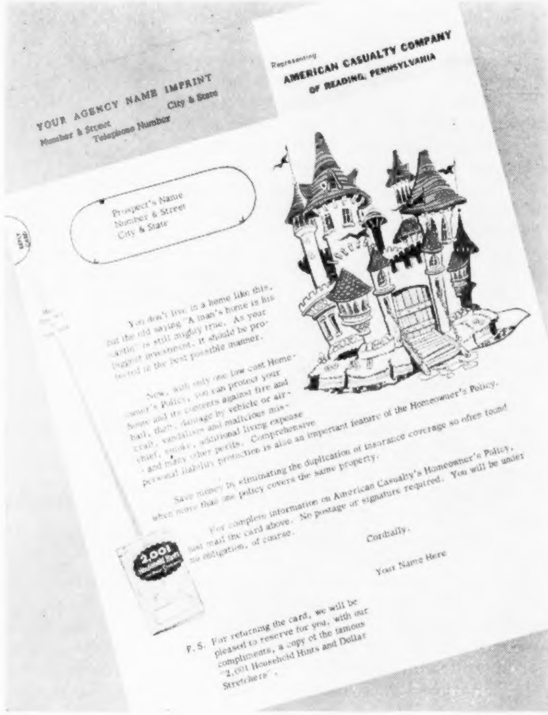
Mutual Insurance Claim Service has been opened at Rockford, Ill., by W. K. Porter. The new organization will serve northern Illinois and southern Wisconsin with radio equipped mobile units, handling all lines.

Letter Pulls HO Clients To Agents

American Casualty's extensive marketing aids for agents include a direct mail letter program. The letter shown herewith, promoting the sale of homeowners, is a typical example. At a cost of five cents per name, the company assumes all mailing details: Printing letters, affixing the agency signature, folding, inserting in envelopes, postage and mailing, and supplying the gift item offered with the letter. Agents need only supply the list of names to whom letters are to be sent.



The company has checked on the pulling power of the homeowners letter. In Pennsylvania, an agent received 16 replies on a mailing of 110 letters, a 15% response. Another Pennsylvania agent had a 13% return on 171 letters, and agents in Missouri and Wisconsin also hit the 13% mark on mailings of 470 and 350 letters, respectively. On the other hand, an Indiana agent got no replies after a mailing of 130 letters. American Casualty believes that the variation in replies reflects the care with which the names for the mailing list are chosen. Names picked at random from a telephone book or other source will never be as effective in drawing inquiries as a list of persons the agent knows are reasonably good homeowners prospects. This same principle applies to all direct mail efforts. The gift item offered in the letter shown is a booklet on household hints and dollar stretchers.

C.&R. Group Elects Four Secretaries

Corroon & Reynolds companies have elected John Flynn, Emanuel Libutti, George Hayes and Thomas E. Beatty secretaries. They have been assistant secretaries.

Mr. Flynn is assistant to Vice-president Fred K. Lofink, head of the western underwriting departments. Mr. Libutti is assistant to Vice-president John M. Owen, head of the eastern and southern underwriting departments.

Mr. Hayes directly supervises the suburban and New Jersey underwriting divisions in association with Vice-president Frank Lehr, who heads metropolitan suburban underwriting. Mr. Beatty supervises accounting for the eastern, southern city and suburban divisions.

Nagle Aetna Casualty Manager At Columbus

Aetna Casualty has appointed Paul Nagle manager at Columbus, O., succeeding Leon W. Berg, resigned. Mr. Nagle has been manager of the property underwriting department at Cleveland. He joined Aetna Casualty in 1936 and subsequently served as superintendent of agents and as manager at Cleveland.

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John E. Taylor has joined the **Burnham agency** at Southbridge, Mass., to handle life and A&S coverages. He was previously a group life supervisor in the Worcester office of Travelers and had spent his entire business career with that company, which he joined in 1952. John N. Burnham and Robert B. Muenzberg are partners in the 96-year old Burnham agency.

Gives EAC News Of Cover Developments

Inter-Regional Insurance Conference recommended the mandatory $50 lightning deductible for countrywide use with the basic dwelling and contents form including farms because of the tremendous increase in nuisance and maintenance claims on electrical appliances, E. Stuart Windsor of Baltimore reported to Eastern Agents Conference in Philadelphia. He is chairman of EAC's conference committee.

Many of these claims have not resulted from lightning but are claims by insured seeking replacement of TV tubes, heating units in hot water heaters and electric stoves. Some of them are claims of damage by power surge in pumps, motors, radios, and clocks, he said. General Adjustment Bureau tabulated 18,421 such claims in seven southern states during August, September and October, 1958. A similar tabulation in 13 northeast states showed 2,403 claims. Of this total, 4,583 related to TV in both areas; in the south, 9,365 applied to electric hot water heaters and stoves.

Mr. Windsor said his committee suggested to IRIC that further study be made of the subject before recommending the deductible in states where it has not yet been approved. Agents believe "sufficient statistical data should be developed to justify this exclusion of coverage."

The committee on consolidation of eastern forms, which comprises seven rating bureau managers in the east, has completed three major forms. These are (1) a dwelling property form to

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N. Y. Mutual Agents Elect Rosenkrans

Mutual Agents Assn. of New York at its annual meeting in Syracuse elected John Rosenkrans, Seneca Falls, president to succeed Roland A. Augustine, Kingston. George P. Tobler, Smithtown, was named executive vice-president. Other officers were re-elected.

William Ferris, vice-president of Merchants Mutual, analyzed problems in connection with the safe driver plan. He observed that before the plan went into effect, his company had entertained grave doubts that it would succeed. The company felt that the 33% of drivers who would be subject to surcharges would find ways of avoiding them and the plan would degenerate into a rate war—a device to offer competitive rates to select insured who have been offered preferred rates by direct writers.

Hear McKiever Speak

The agents also heard George McKiever, Miami, president of NAMIA, attack the proposed District of Columbia rating bill. He said that its general impact and the removal of prior approval provisions in state laws would lead to open rate warfare. Where the security of millions of policyholders is at stake, Mr. McKiever declared, NAMIA opposes cutthroat competition. He urged all state associations to take this position.

Pursuing his analysis of safe driver plan problems, admittedly on the basis of incomplete figures on one month's premiums, Mr. Ferris said that it appears that the percentage of risks entitled to a 10% discount will far exceed the anticipated number of insured. He conceded that the figures to date might not be too credible, but his company still feels that the plan will become unbalanced.

Mr. Ferris noted that only bureau companies—stock and mutual—are using the plan, while direct writers are not. In his opinion, many of the properly surcharged risks will look elsewhere for coverage or find ways to dodge the penalty. He has even seen statements "honestly completed" by insured, omitting a specific accident because it "had slipped insured's mind." Where a company has the risk for an entire experience period, it can check the situation, but it must otherwise rely on the signed rating statement.

Involve Time, Expense

Much time and expense is involved in checking claim files, Mr. Ferris observed, to determine whether an accident is chargeable. His company is attempting this, and it is a headache to all involved. The company is maintaining records and files so that after the first year of the plan, it will be able to rate and renew a risk with all available information. Naturally, this is an added expense to the company.

New directors named at the meeting are Frank Shultes, Berne; Lincoln Artz, Rochester; Jerry True, Ithaca; Clark V. Stafford, North Tonawanda; Leonard Thomaris, Potsdam, and Carlton Winchester, Maple Springs.

TOUR EUROPE WITH MICHIGAN AGENTS

Combine business with pleasure—join the Michigan Association in this exciting visit to London, Paris, Berlin, Rome, Vienna, Oct. 6-22. For brochure write Marsilje Agency, Holland, Michigan.

Health Council's Accomplishments, Aims For Future, Reviewed At Annual Meeting

What Health Insurance Council has accomplished to date in its relations with the providers of medical care, what it will do in the future, and what more it can and must do was explored during the council's annual meeting at Chicago.

Raymond F. Killion

The work of the council is only beginning, Raymond F. Killion, the newly-elected chairman of HIC, told the meeting. Mr. Killion, who is 2nd vice-president Metropolitan Life, declared that it would be his administration's goal "to establish working relationships founded on complete cooperation backed by mutual understanding and respect with the providers of health care at the local level—the working level. This means the office of the individual physician, the admitting office and credit office of the individual hospital."

Health Insurers Should Meet

Arthur M. Browning, outgoing chairman, in his report, said that it is more imperative today than ever for health insurers to meet, analyze and solve the problems which arise in the field of financing health care costs.

Mr. Browning, who is vice-president in charge of group insurance of New York Life, said these problems

Raymond F. Killion, 2nd vice-president of Metropolitan Life, was elected chairman of Health Insurance Council, succeeding Arthur M. Browning, vice-president in charge of group insurance of New York Life. Named chairman-elect to succeed Mr. Killion was C. Manton Eddy, senior vice-president of Connecticut General.

must be solved because voluntary health insurance has become the instrument of choice of a vast majority of all Americans.

"To do otherwise would be a breach of faith with those millions who entrust their monies with us," he declared.

A solution of the problem of the cost of health care seems to be handicapped by the old American pastime of passing the buck, he said. "Insurance companies have a tendency to cast blame on doctors and hospitals, yet do little about excessive charges and utilization so long as they can get adequate premiums from their policyholders. Employers blame the doctors and hospitals and talk about exorbitant premium rates of the insurance companies but often resist policing of claims because of its feared effect upon employe relations. Unions may insist upon unsound plan features and then have to demand higher contributions from employers to pay for them.

Little Incentive To Cut Costs

"The purveyors of medical services are human and in the prevailing atmosphere have little real incentive to reduce costs so long as criticism is general rather than specific and so long as insurance companies and employers pay most of the bill," he said.

This attitude would be bad enough if it resulted only in increased medical care costs, Mr. Browning noted. "But under today's conditions we see attempted short cuts by some private groups that could affect adversely the quality of medical care and the interests of the medical profession and private insurance. Even more grave is the effect upon men's minds and their attitude toward proposals of government invasion of medicine.

"We know that the problem of cost would become even more acute were such proposals enacted into law but this will not stop people from demanding government medicine if they feel private medicine has become prohibitive in price."

R. E. Jones, associate secretary of the American Hospital Assn.'s council on Blue Cross, financing and prepayment, pointed out that there is a need for discussion between the Blue Cross and the insurance business of their differing philosophies.

Mr. Jones spoke as a member of a panel on hospital attitudes, projects and problems. Other panel members were Leon Pullen Jr., administrator of the Decatur & Macon County Hospital in Illinois, and Harold Hinderer, financial consultant to Catholic Hospital Assn. Panel moderator was L. A. Orsini, HIC vice-chairman and assistant director of information and research of Health Insurance Assn.

Mr. Jones said there is room and need for mutual endeavor between Blue Cross and the insurance business, and he proposed that these groups along with medicine, hospitals and

(CONTINUED ON PAGE 30)

Employers Mut. Cas. To Mark 50th Birthday

Employers Mutual Casualty of Des Moines next week celebrates its 50th anniversary with special ceremonies in its home office and at branch offices in 24 cities.

In Des Moines, about 400 home office employes will be served cake and coffee Monday afternoon and hear a short talk by John W. Gunn, president and treasurer. Similar observances will be held simultaneously in branch offices in 18 states.

Throughout the company, employes will celebrate by coming to work wearing costumes in the fashions of 50 years ago. Prizes will be given to the women and men wearing costumes judged best.

Employers Mutual Casualty was founded in 1911 in Des Moines primarily to write workmen's compensation. The company has expanded to a complete multiple line facility, licensed in 38 states, District of Columbia, and British Columbia.

Card Set For Louisiana Agents' Annual May 4-6

BATON ROUGE—Three panel discussions, two speakers and the customary elaborate entertainment are included in the program for the annual convention of Louisiana Assn. of Insurance Agents May 4-6 at Edgewater Park, Miss.

One of the panels will be held in executive session to get views on "Production, Placement, Profit" in Louisiana. This will be moderated by Felix L. Aucoin Jr., Vacherie, who is the association president. The second panel will be on "The Special Automobile Policy and Safe Driver Reward Plan" that went into effect in Mississippi last December and four Mississippi agents will be panelists. The third panel will deal with "Today's Problems in Agency Management and Production," with Milton F. Hilbert Jr., New Orleans, as moderator.

Speakers will be Commissioner Rufus D. Hayes of Louisiana and Maurice G. Herndon, federal liaison representative of the national association in Washington, D.C.

Aetna Casualty Raises Bidwell At Bridgeport

Aetna Casualty has named Clyde C. Bidwell general manager at Bridgeport, where he has been manager since 1942.

He joined the company in 1919 and was special agent at Philadelphia, New York and Bridgeport. He subsequently went to the home office where he was agency supervisor and later field supervisor before returning to Bridgeport as manager.

Missouri Reciprocal Forms Stock Company Subsidiary

Consolidated Underwriters of Kansas City has formed Missouri General, a wholly owned stock subsidiary with offices at 1907 Grand Avenue, Kansas City. Executive officers are: Henry Burr, president; R. L. Winslow Jr., executive vice-president and treasurer; Lee Beets, vice-president and secretary; Walter Stanford, vice-president; L. A. White, vice-president.

Missouri General will conduct a multiple line business.

The North Carolina house has voted by a large majority to extend the state's compulsory auto law indefinitely.

Four Executives Are Advanced By Home

Home and Home Indemnity have advanced four officers. Paul J. Goode, loss-claim manager of the Pacific department at San Francisco, becomes secretary there; Frank J. Welch, executive general adjuster at the head office loss-claim department, is now assistant secretary of Home in that department; William L. Nicholson, production manager in the head office marine department, was named assistant secretary of Home in that department; and George A. Howell, Home Indemnity manager at San Francisco, becomes assistant secretary of Home Indemnity there.

Mr. Goode joined Home Indemnity at Boston in 1939. After navy service he returned to Boston until 1945 when he was called to service with the war department in Munich. He rejoined Home in 1949 as loss-claim superintendent in the Pacific department and was made loss-claim manager in 1959.

Mr. Welch joined the western department in New York in 1929. He was transferred to the loss department in 1940 and in 1941 was sent to the midwest where he served as adjuster, staff adjuster, special agent, and associate state agent. After extensive field production and loss experience he returned to the head office in 1954 as assistant general adjuster.

Mr. Nicholson joined Home as marine supervisor in 1948. In 1951 he was transferred to Philadelphia as marine manager and in 1959 he returned to the home office as production manager in the marine department.

Mr. Howell joined Home Indemnity in 1951 as supervisor of the casualty department at Los Angeles. In 1955 he was made manager of Home Indemnity there and in 1960 was transferred to San Francisco as manager of Home Indemnity's Pacific operations.

GAB Names Haltigan, Makes Field Changes

General Adjustment Bureau has appointed S. J. Haltigan assistant director of education at the national office. He joined the bureau in 1950 and has been an adjuster at Hempstead, N.Y., Jersey City, and Morristown, N.J. In 1955, he became a member of the national education and research staff.

Paul T. Hiller has been appointed manager at Hazleton, Pa., to succeed William J. Dowling, who will be manager at Allentown, Pa. Mr. Dowling succeeds Alfred R. Adey, who has been promoted to general adjuster at Harrisburg, Pa.

Stumpf On Blue Goose Tour Of U. S., Canada

Robert F. Stumpf, manager of General Adjustment Bureau at Paterson, N. J., is on a transcontinental tour as most loyal grand gander of Blue Goose. He is making or has made visits with ponds west as far as Vancouver. He participated in the initiation of goslings at the Ontario pond.

Mr. Stumpf also visited Joplin, Mo., where the Kansas City, St. Louis, Oklahoma, Kansas, and Ozark ponds participated. Other stops are Albuquerque, Phoenix, Fresno, San Diego, and Seattle.

Mr. Stumpf is urging attendance at the 1961 Grand Nest at the Statler Hilton Hotel in New York Aug. 6-11.

F. O. Cox Retires From Atlanta Claims Bureau

Felix O. Cox, special agent in charge of the Atlanta claims bureau of Assn. of Casualty & Surety Companies, has retired after 23 years with the association. He is well known for his work as an investigator of fraudulent claims.

He was an investigator with the FBI and the Department of the Interior from 1929 to 1938, when he joined the association. He has directed investigations in the southeast since 1939.

Mr. Cox was guest of honor at a dinner given by Atlanta Claims Assn. to mark his retirement.

Cal. Adjusters Support Two Measures In Senate

California Assn. of Independent Insurance Adjusters is supporting two bills in the state senate which are designed to strengthen licensing requirements for adjusters, investigators and repossessors.

One bill would have the governor appoint a five-man advisory committee consisting of adjusters, investigators and repossessors who would advise the state director of business and professional standards. It provides for mandatory written and oral examinations and requires the applicant to have at least four years' experience as an adjustment company employe or licensee. At present, written or oral examinations are left up to the director, and often, it has been reported, these are purely perfunctory.

The other measure would revise and repeal sections of the business and professional code to require licensees to register all employes, and to submit their fingerprints and provides penalties for violations.

AMA Card Covers Many Problems In Business

The latest developments in the controversy over surplus lines will be discussed at the spring insurance conference of American Management Assn. May 8-10 at Hotel Roosevelt, New York. Speakers on this topic will be Raymond Severin, American Metal Climax, and Bernard J. Daenzer, Wohlreich & Anderson.

James F. Crafts, Fireman's Fund, will review foreign insurance problems and will forecast developments in foreign hazards and coverages. Political and economic risk insurance for investments abroad will be explored by Charles B. Warden, International Cooperation Administration, and Albert Redway, Export-Import Bank of Washington.

Pending legislation on medical care for the aged, new programs now being developed for senior citizens by private insurers, and a case study of Canadian medical care legislation will be covered in a panel session. Participants will be Dr. Harold J. Sheppard of the Senate's special committee on the aging; Winston Fleiss, Johnson & Higgins, and E. D. Gray-Donald, Shawinigan Water & Power Co., Montreal.

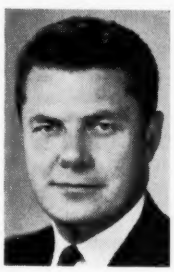
Among other topics to be covered are new developments in boiler and machinery coverages; improving claim follow-up practices; meeting the risks of total dependence on computer equipment; retrospective rating, and ways of improving communications in the corporate insurance department.

Speakers include Roger Williams, Commercial Union-North British; Jack C. Else, Marsh & McLennan; Joseph A. Edwards, Gulf Oil Corp.; William L. Hollingsworth, Olin Mathieson Chemical Corp.; Web Coleman, Philadelphia management consultant; C. H. Friedwald, American, and Alfred W. Potts, Aluminum Co. of America.

A reunion luncheon, marking the 30th anniversary of AMA's insurance division, will highlight the conference. Speaker will be Russell B. Gallagher, Philco Corp., who will review the past 30 years in insurance and comment on the future of the business. Chairman of the luncheon session will be P. D. Betterly, Betterly Associates, Worcester, Mass., the first AMA vice-president in charge of the insurance division.

Allstate Names Christensen To Planning Director Post

Allstate has appointed W. B. Christensen corporate planning director, and he will be in charge of expansion programs.



W. B. Christensen

For the past 16 months, Mr. Christensen has been regional manager at Sacramento. Before that he was long range planning manager and assistant budget director at the home office. He began his Allstate career in 1951.

Myers Wash. General Director

William E. Myers, vice-president of Washington General, has been elected a director. He is also vice-president and director of Appleton & Cox, managers of the insurer.

Allstate Appoints Six

Allstate has appointed James Stephens regional sales supervisor and John Eno district sales manager at Hartford. Other new assignments are Walter F. Leonard, assistant underwriting manager at Kansas City; Robert J. Shields, services manager for the Valley Forge regional office; Stewart F. Mitchell, eastern zone controller; and G. G. Wright, district sales manager at Dallas.

Robert G. Ray has joined the Morse agency at New Canaan, Conn., as insurance manager. He had been for 12 years with Aetna Casualty, most recently as manager of ocean and inland marine at Bridgeport, Conn.

O'Connor To HO Of Hartford Accident

John W. O'Connor, Cincinnati manager of Hartford Accident, has been transferred to the home office and will be in charge of the burglary and glass division of the fidelity, burglary and glass department. He succeeds Thomas M. Meredith, who has been named manager of the group's new health department. Mr. O'Connor will assist John P. Beardsley, secretary.

Mr. O'Connor, with the company since 1948, became a bond special agent in 1949 and was subsequently an all-lines special agent at Knoxville for six years. He became superintendent of agencies at Cincinnati in 1955, assistant manager in 1958 and manager in 1960. He is a past vice-president of Ohio Assn. of Casualty & Surety Managers and a past vice-president and secretary-treasurer of Cincinnati Assn. of Casualty & Surety Managers.

John C. Veatch II, Portland, Ore., attorney, has been elected a director of Northwest Ins. Co. of Portland.

Conventions

April 23-25, National Assn. of Insurance Commissioners, Zone V, Town House Hotel, Omaha.

April 23-27, American Assn. of Managing General agents, annual, Camelback Inn, Phoenix.

April 25-27, National Assn. of Insurance Commissioners, Zone II, Dupont Hotel, Wilmington.

April 27, Insurance Rating Bureau of District of Columbia, annual, Army & Navy Club, Washington, D. C.

April 27-28, National Assn. of Casualty & Surety Agents, midyear, Sheraton-Belvedere Hotel, Baltimore.

May 1-2, Minnesota mutual agents, midyear seminar, Pick-Nicollet Hotel, Minneapolis.

May 3-5, Casualty Actuarial Society, midyear, Concord Hotel, Kiamesha Lake, N. Y.

May 4-5, Central Claim Executives Assn., annual, Arlington Hotel, Hot Springs, Ark.

May 4-5, Conference of Mutual Casualty Companies, claim conference, Conrad Hilton Hotel, Chicago.

May 5-6, Louisiana agents, annual, Edgewater Gulf Hotel, Edgewater Park, Miss.

May 5-7, Montana mutual agents, annual, Diamond S. Ranchotel, Boulder, Mont.

May 7-9, Alabama agents, annual, Russell-Erskine Hotel, Huntsville.

May 7-9, Virginia & D. C. mutual agents, annual, Williamsburg Inn, Williamsburg.

May 7-10, New York State agents, annual, Syracuse Hotel, Syracuse.

May 8-10, Health Insurance Assn., annual, Biltmore Hotel, New York City.

May 8-11, National Assn. of Insurance Brokers, annual, Fairmont Hotel, San Francisco.

May 9, Assn. of Casualty & Surety Companies, annual, Waldorf-Astoria, New York City.

May 9, Wisconsin agents, midyear, Hotel Loraine, Madison.

May 9-10, Insurance Research Fund of University of Wisconsin, Symposium on Workmen's Compensation In a Dynamic Society, Wisconsin Center Buildings, Madison.

May 12-13, Mountain States mutual agents, annual, Harvest House, Boulder, Colo.

May 12-13, Oklahoma agents, annual, Biltmore Hotel, Oklahoma City.

May 14-15, Nebraska mutual agents, annual, Town House, Omaha.

May 14-16, Iowa agents, annual, Savery Hotel, Des Moines.

May 14-16, Pennsylvania agents, annual, Bedford Springs Hotel, Bedford.

May 14-17, Insurance Accounting & Statistical Assn., annual, Biltmore Hotel, Los Angeles.

May 16-19, Insurance Company Education Directors Society, annual, Wagon Wheel Lodge, Rockton, Ill.

May 16-19, National Assn. of Independent Adjusters, annual, Sheraton Towers Hotel, Chicago.

May 18-19, Arkansas Agents, annual, Arlington Hotel, Hot Springs.

May 18-20, Texas agents, annual, Galveston.

May 19-20, North Carolina Health Underwriters Assn., sales congress, Barringer Hotel, Charlotte.

May 21-23, Tennessee mutual agents, annual, Riverside Hotel, Gatlinburg.

May 22, National Assn. of Mutual Casualty Companies, annual, Edgewater Beach Hotel, Chicago.

May 22-24, American Mutual Insurance Alliance, Edgewater Beach Hotel, Chicago.

May 23-24, Illinois Bureau of Casualty Insurers, annual, St. Nicholas Hotel, Springfield.

May 25, National Board of Fire Underwriters, annual, Commodore Hotel, New York City.

May 25-26, Underwriting Executives Council, annual, Neil House, Columbus, Ohio.

June 4-9, National Assn. of Insurance Commissioners, annual, Bellevue Stratford Hotel, Philadelphia.

June 7-11, National Assn. of Public Insurance Adjusters, annual, Concord Hotel, Kiamesha Lake, N.Y.

June 12-14, International Assn. of Health Underwriters, annual, Waldorf Astoria Hotel, New York City.

June 14-17, Carolinas mutual agents, annual, Grove Park Inn, Asheville, N. C.

June 15-16, Wisconsin mutual agents, annual, Schwartz Hotel, Elkhart Lake.

June 15-17, Mississippi agents, annual, Edgewater Gulf Hotel, Edgewater Park.

June 18-21, Conference of Mutual Casualty Companies, management conference, Hershey Hotel, Hershey, Pa.

June 21-23, Georgia agents, annual, General Oglethorpe Hotel, Savannah.

June 22-23, Pennsylvania Assn. of Mutual Insurance Companies, annual, Hotel Brunswick, Lancaster.

June 25-28, Consumer Credit Insurance Assn., annual, Sheraton Towers Hotel, Chicago.

June 26-27, New Jersey mutual agents, annual, Sussex & Essex Hotel, Spring Lake.

June 26-28, Virginia agents, annual, The Homestead, Hot Springs.

June 29-July 1, Florida agents, annual, Fontainebleau Hotel, Miami Beach.

July 4-6, International Assn. of Insurance Counsel, annual, Queen Elizabeth Hotel, Montreal, Canada.

Heilman Of North America Eyes Package Forms, Sees Big Future

H. R. Heilman, vice-president North America, provides a penetrating analysis of package forms and their present and future status in the following comments written for this publication.

In determining the future direction of package concepts, it will be helpful to review the past and the influences which led to the current situation. Multiple-line or package policies have been with us almost as long as insurance itself. The first ocean marine policies were broad contracts against loss rather than against damage by some specific peril. Since that era, there have been many examples, particularly in England, of combination and comprehensive policies. The modern American multiple-line policy has developed from these, but represents several important advances over any previous plans.

In the U.S. multiple-line developments were delayed because of legal barriers. After several years of litigation and controversy, the independent companies won the right to introduce their own independently conceived multiple-line policies, free from uniformity.

Competition for this business is severe, and current rate levels may be inadequate for companies with higher expenses. Time and experience will solve this problem. The agency-stock company team will learn to operate profitably in competition with other markets and will be stronger because of the contest. The outlook is less promising in those states where legal or administrative difficulties prevent the writing of package polices or require them to be confined to a bureau form. Future progress will depend very largely on the degree of freedom with which the individual company can develop new programs on its own initiative.

Past Success

The homeowners policy is perhaps the best example of a successful package. The first homeowners policy was written by North America in the fall of 1950. Today, every property company is selling it, and in 1960 total premiums were about $650 million with further growth inevitable. Automobile packages with single premiums, and commercial package policies are also winning enthusiastic public acceptance. Agents confirm that these contracts enhance their position as independent producers. Many companies and advisory organizations are actively developing different packages. Some of these will be well designed and will be valuable, while others may be poorly conceived and prove unsuccessful.

In the light of experience with these contracts it is possible to define the characteristics of a well designed multiple-line policy and rating plan. If a program is to be successful, it must meet the following tests:

1. A package must be more than a collection of policies stapled together and sold at a discount. It must instead be the product of careful research into the insurance needs of a selected group. When these requirements have been determined, the contract should be designed to provide this coverage in the simplest and most convenient form without gaps or overlapping. The finished product will be a new and different policy with an indivisible premium.

2. The group for whom the policy is designed must be large. It is not economical to develop a different package for every variation of occupancy. Such a program would increase rather than decrease the expense of providing the protection.

3. The program must encourage loss prevention and prudent management by insured, and thus a favorable selection for the underwriter. Some contracts in the past have invited carelessness and irresponsibility. The personal property floater, for example, was introduced on the basis of urging insured to make claims for small and inevitable losses. As a result, the careless and demanding policyholder produced losses in such volume that the contract became unsatisfactory for the prudent householder and unprofitable for the underwriter.

4. The program must encourage or require fuller insurance to actual requirements. Here again is one of the reasons for difficulty in the PPF program and in many other areas where the coinsurance principle is difficult to apply. The homeowners plan of relating contents insurance to building values has been valuable in encouraging better insurance to value, but further developments along these lines are needed. An example of a successful application of this principle is found in the family life policy which encourages larger amounts of protection.

5. The policy should require insured to carry all the coverages for which

he has reasonable need, and he should be permitted relatively few options. This principle eliminates adverse selection, reduces expense and provides a policy that has definite sales advantages. In the period when the homeowners policy and the CDP were competing there were those who claimed the full flexibility of the CDP was a sales advantage. Experience showed, however, that the greater simplicity of the homeowners was far easier to sell, while the multiple choices confronting the buyer under the CDP resulted in confusion and sales resistance. In addition, the CDP program was more expensive to administer.

Must Represent Something New

6. The classification and statistical plan to be adopted is of first importance. Properly designed packages must represent something new and different from the sum of their components. If the package is to be useful, the premium volume must be much greater than the previous writings under component coverages even though the unit cost is less. Well conceived policies will accomplish this because of their appeal to the buyer. In addition, the package loss ratio and expense will differ from those of component coverages. As experience under the package develops, it must be rated on its own results. Thus, the classification and statistical plan must be separate from those for component coverages. They must be designed to fit the package and in most cases will differ from the plans for component coverages.

7. Particular study must be applied to loss results in order to develop a sound rating plan which will reflect fairly the variation in risk characteristics. The charge is frequently made that competition brings "cream skimming" and super selectivity. This is valid criticism if an insurer develops a complex classification plan in order to write only a preferred group. It is not valid, however, if the classification refinements are used to apply the correct rate to each group. The preferred risk should receive a lower premium and the poorer risk a higher one. Indeed, only by such a rating plan will a full market be maintained to insure all the different groups each at its proper rate.

Must Sell Each As Entity

8. Finally, the company and agent must organize to rate, sell and service each package policy as an entity. No policy will be successful if it is merely a collection of different coverages rated, sold, underwritten and processed by different specialists for the several parts.

For many years the public has been sold on the convenience and economy of packaging in nearly every field from packaged foods to full vacation plans. It seems clear that this trend is in its early stages in its application to insurance. The policyholder who has enjoyed the benefits of a package for his personal insurance needs will want similar plans for his business, his church and his college. As the business gains experience in multiple-line methods, the trend will gain momentum. Package policies will be developed for all but the largest and most intricate enterprises, and future growth will dwarf past achievements. There is tremendous opportunity for agents and companies who organize themselves on a proper basis and go to work with skill and imagination.

—

Harleysville Mutual Names Morse Manager

Stanley W. Morse has joined Harleysville Mutual as manager at Richmond, Va. He started his career in 1941 as payroll auditor with Utica Mutual. He has also been casualty superintendent for American Surety at Albany, and superintendent of underwriting for Phoenix of Hartford.

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Aetna Casualty Promotes

George S. McGill Jr. has been promoted to superintendent of the New York claim division of Aetna Casualty. He joined the company in 1941 at Philadelphia and has been regional claim supervisor at Stamford, Conn., for the past year.

Proctor Joins Crump London Underwriters

Crump London Underwriters, Memphis, has appointed Donald J. Proctor associate manager. He entered the business in 1946 after service in the Air Force. He served again in the Korean war.


Donald J. Proctor

At one time Mr. Proctor was southeastern manager of Associated Aviation Underwriters at Atlanta. At Crump he will specialize in handling aviation business.

Zurich Sales Contest Relates To Relocation

Swimming pools and vacations in Nassau are among prizes being offered in Zurich's new business contest being conducted now until year-end.

The contest theme, "On the Move," ties in with the companies' planned move to the LaSalle-Jackson Building now being constructed at Chicago. Contest quotas have been set for each branch, with goals keyed to a scale model of the building and each floor representing 4% of the total goal.

Sales representatives making the biggest splash in new business may do the same in their own full-sized swimming pools. The catalog of prizes also includes power boats and airplanes. Branch managers and sales superintendents are eligible for 12 trips-for-two to Nassau next spring.

American Surety Elects

Harold Christenson, assistant treasurer of American Surety, has been elected to the additional post of secretary. He has been with the company since 1937.

1960 Results, Promotions In Pa. Millers Mutual

Pennsylvania Millers Mutual reported that premiums written in 1960 totaled $6,836,869, an increase of 15% from 1959. Dividends amounted to $947,747. Policyholders surplus was increased by $213,552 and consists of a general voluntary reserve of $1,200,000, a guaranty fund of $500,000, and unassigned surplus funds of $5,810,763. Assets were up $1,053,959 to $16,583,195.

At the reorganization meeting, O. K. Lamb was promoted from assistant secretary to vice-president, and F. F. Lewis, assistant secretary, was given the additional title of vice-president. J. W. Reid was promoted from auditor to treasurer. Martin L. Davern was named assistant secretary, and Elizabeth Gabel assistant treasurer.

W. O. Thomas has opened his own agency at Birmingham operating as W. O. Thomas Agency Inc. For 17 years he has been an officer of the Molton, Allen & Williams agency of Birmingham, and prior to that was with U.S.F.&G. as an underwriter at Birmingham and Indianapolis. Mr. Thomas is a past-president of Alabama Assn. of Insurance Agents, and was state director from Alabama from 1951 to 1954.

William H. Breedon, Portland, has been appointed chairman of the annual convention committee of Oregon Assn. of Insurance Agents. The meeting will be in Portland, Sept. 17-19.

Long Island CPCU Sets Card For Buyers' Day

Long Island (N. Y.) chapter of CPCU will hold an Insurance Buyers' Day May 9 at Hofstra College, Hempstead. The conference is primarily designed for those supervising commercial insurance programs.

The keynote speaker will be Bernard J. Daenzer, president Wohlreich & Anderson and executive vice-president Gibralter, whose address is entitled "Insurance—Yesterday, Today and Tomorrow." Other speakers will be Loren W. Smoyer, vice-president F. J. Flynn Associates, on the theory of risk management; Robert B. Schellerup, Union Bag-Camp Paper Corp., on administration of corporate programs; and Arthur Macaulay Jr., Blades & Macaulay, on analyzing and evaluating loss exposures.

Rudolf S. Christiansen, vice-president American Reciprocal, will discuss business interruption; Harry J. Mueller, Inter-Regional Insurance Conference, will analyze package policies for industry; and Joseph Smith, Union Carbide Corp., will describe practical ways to reduce insurance costs.

Total Direct Premiums And Losses, Fire And Allied Lines Results In 1960 In Ohio

Direct premiums written and direct losses paid for fire, extended coverage, homeowners multiple peril, commercial multiple peril, ocean marine, and inland marine business in Ohio are shown in the accompanying tables. Each of the lines reported on shows the business only if direct premiums exceed $25,000. Also shown are the total direct premiums and total direct losses for those companies whose total direct premiums in Ohio exceed $1 million. The 10 leading companies in premium in each tabulation are shown at the head of the list in bold face type in order of premium volume; the rest of the companies are listed in alphabetical order. Figures are taken from page 14 of the annual statements of companies as reported to the Ohio department. Direct premiums and direct losses reflect results exclusive of reinsurance transacted, and thus are not acceptable as reflecting a company's loss ratio. Other lines will be reported on next week.

Total Premiums

	Direct Premiums $	Direct Losses $
Nationwide Mutual	**47,324,567**	**24,525,553**
Ohio Medical Indemnity	**24,745,697**	**21,409,323**
Buckeye Union Casualty	**22,246,200**	**11,878,469**
Allstate	**20,683,464**	**9,002,498**
State Auto Mutual, O.	**19,220,539**	**9,072,424**
Travelers Indemnity	**17,500,344**	**9,596,173**
Ohio Casualty	**15,906,377**	**6,474,682**
Grange Mutual Casualty	**15,769,744**	**8,729,461**
Aetna Casualty	**15,197,164**	**6,857,796**
Continental Casualty	**14,103,641**	**6,343,654**
Aetna Fire	6,483,750	2,548,164
American Casualty	4,945,258	2,414,519
American Employers	1,568,578	486,952
Amer. Hardware Mut.	1,112,763	400,905
American	8,553,191	3,299,451
American Motorists	1,958,104	919,780
American States	8,569,642	3,866,528
American Surety	1,925,219	1,216,205
Auto-Owners	3,755,883	1,705,099
Beacon Mut. Indem.	3,805,022	1,859,222
Blackstone Mutual	1,252,718	248,389
Boston	1,003,720	575,769
Buckeye Union Fire	7,194,031	2,673,998
Camden Fire	1,062,019	398,309
Celina Mutual	5,616,508	2,138,802
Centennial	1,286,441	636,375
Central Mutual	1,955,473	565,002
Cincinnati	4,060,915	1,561,319
Commercial	3,676,403	2,156,459
Commercial Union	1,068,902	412,462
Continental	2,179,103	1,463,425
Educators & Executives	1,007,501	367,943
Employers Liability	2,365,546	837,330
Federal	4,268,013	1,563,785
Federal Mutual	1,337,136	517,298
Fidelity & Casualty	3,798,624	1,706,956
Fidelity & Deposit	1,036,691	303,055
Fidelity-Phenix	1,533,387	53,441
Firemen's of Newark	3,456,589	1,250,174
Fireman's Fund	5,405,357	2,481,949
F.&G. Underwriters	1,996,365	652,916
Firemen's Mutual, R. I.	2,661,919	344,150
General Accident	6,260,950	2,932,776
General of Seattle	2,432,436	958,927
Glens Falls	2,655,860	1,127,101
Globe Indemnity	1,904,033	1,177,612
Government Employees	1,366,160	641,101
Grain Dealers Mutual	1,082,568	320,415
General American	5,326,057	2,179,485
Gulf	1,205,502	437,223
Hamilton Mutual	1,259,484	365,501
Hanover	1,302,353	500,483
Hard. Dealers Mut. Fire	1,068,103	220,460
Hartford Accident	6,738,844	3,387,097
Hartford Fire	5,088,975	2,048,359
Hartford Steam Boiler	1,834,702	311,106
Home Indemnity	2,318,883	1,055,371
Home	9,359,779	3,400,725
Hoosier Casualty	2,186,483	1,184,196
Indemnity of No. Am.	7,301,561	2,804,167
Ind. Lumbermens Mut.	1,351,139	625,062
North America	5,906,013	2,633,543
Liberty Mutual	4,924,185	2,432,198
Lumbermens Mut. Cas.	3,116,050	1,312,196
Lumbermens Mutual, O.	4,291,455	1,956,156
Mahoning, O.	1,149,117	953,575
Manufacturers Mut. Fire	2,452,006	24,445
Maryland Casualty	3,881,057	1,746,838
Mass. Bonding	1,096,555	607,043
Mayflower	3,814,563	1,,210,874
Mass. Protective	1,071,733	419,751
Medical Mutual, O.	12,576,336	11,058,540
Merchants Indemnity	1,246,495	624,842
Merchants Property, Ind.	1,022,260	380,231
Michigan Mut. Liab.	1,574,228	585,595
Midwestern Indem.	1,932,015	700,216
Milwaukee	1,661,842	425,662
Motorists Mutual	12,917,579	5,542,576
Mutual Benefit H.&A.	9,448,393	5,123,496
National Casualty	1,528,144	1,266,469
National Fire	3,995,983	1,800,532
National Mutual	2,034,651	1,049,136
National Surety	1,262,381	419,196
National Union Fire	3,247,096	1,526,266
Nationwide General	2,872,625	1,374,981
Nationwide Mut. Fire	9,368,893	3,432,754
New Amst. Casualty	2,149,601	1,088,889
New York Underwriters	1,621,898	751,740
Northern of N.Y.	1,392,062	515,687
Northwestern Mutual	1,463,855	477,731
Ohio Farmers	11,881,416	4,835,902
Ohio Valley	1,053,141	411,823
Phoenix of N.Y.	1,054,460	497,659
Phoenix, Conn.	1,936,600	802,965
Pioneer Mutual Cas.	2,594,325	1,460,447
Progressive Cas., O.	2,552,835	1,204,261
Progressive Mut., O.	2,182,323	1,040,805
Reliance	1,602,631	689,742
Republic-Franklin	2,472,775	1,290,595
Royal Indemnity	2,774,608	1,242,010
Royal	1,331,375	365,001
St. Paul F.&M.	5,598,534	1,940,630
St. Paul Mercury	1,040,067	521,764
Shelby Mutual	6,259,158	3,216,511
Springfield F.&M.	1,493,637	516,408
Standard Accident	1,574,498	977,933
State Farm Fire & Cas.	1,363,938	262,055
State Farm Mut. Auto	9,693,507	4,600,077
Trinity Universal	2,732,779	801,919
U.S.F.&G.	6,629,466	3,189,731
U.S. Fire	2,768,081	1,044,802
Westchester Fire	1,093,204	444,169
Western Casualty	1,295,806	615,165
West. Reserve Mut. Cas., O.	1,425,325	587,948
Wolverine	2,949,563	1,282,680
Zurich	2,713,699	1,242,722

Fire

	Direct Premiums $	Direct Losses $
Home	**4,063,502**	**1,785,349**
Firemen's Mutual, R.I.	**2,661,919**	**344,150**
Manufacturers Mut. Fire	**2,452,006**	**24,445**
Aetna Fire	**2,357,983**	**1,060,070**
Nationwide Mutual Fire	**2,056,056**	**1,092,805**
Hartford Fire	**2,033,265**	**845,691**
Buckeye Union Fire	**2,005,455**	**1,101,419**
Ohio Farmers	**1,914,137**	**839,848**
Great American	**1,851,919**	**861,944**
North America	**1,823,873**	**788,890**
Aetna Casualty	1,021,802	566,439
Affiliated F.&M.	57,468	499
Agricultural	321,060	192,518
Albany	27,800	39,236
Allstate	223,104	88,797
American Auto	—53,867	46,378
American Casualty	252,802	131,559
American Central	188,211	63,881
American Druggists	44,503	25,481
American Employers	73,056	15,979
American Equitable	244,746	148,400
Amer. Hardware Mut.	314,097	46,584
American Home	167,024	55,211
American Indemnity	27,140	10,329
American	1,358,305	687,228
Amer. Marine & Gen.	30,776	14,365
Amer. Mfgrs. Mut.	65,645	2,765
American Motorists	38,428	6,320
Amer. National Fire	117,743	148,425
American Reciprocal	83,452	926
American States	445,192	204,960
American Surety	85,733	72,546
American Union	50,710	25,288
Anchor Casualty	57,692	14,710
Arkwright Mutual	618,365	66,721
Assurance of America	33,382	3,113
Atlantic Mutual	72,739	8,920
Atlas	181,428	129,583
Auto-Owners	93,317	28,607
Bankers & Shippers	138,034	72,755
Beacon Mut. Indem.	87,386	76,764
Berkshire Mut. Fire	35,951	7,160
Blackstone Mutual	1,252,718	248,389
Boston	313,512	231,808
Boston Mfgrs. Mut.	966,121	22,864
Brotherhood Mutual	62,756	11,814
Buffalo	131,875	63,455
California	65,322	34,719
Calvert	28,608	26,676
Cambridge Mut. Fire	109,749	37,894
Camden Fire	382,757	169,464
Canners Exchange	188,501	6,378
Celina Mutual	283,586	30,101
Centennial	320,701	100,183
Central Mutual	585,626	154,640
Century	48,235	38,689
Church Fire	43,408	1,348
Cincinnati	229,703	124,244
Citizens Casualty	30,904	1,429
Citizens, N.J.	265,974	133,156
Commerce & Industry	70,643	1,794
Commercial Union	449,266	165,726
Commercial Union Fire, N.Y.	116,472	64,164
Commonwealth	103,328	52,215
Connecticut Fire	326,999	137,416
Consolidated American	36,324	10,826
Continental Casualty	31,848	4,678
Continental	997,308	948,058
Dubuque F.&M.	40,945	23,408
Eagle Fire	62,466	59,819
Elevators Mutual	146,809	13,474
Employers Fire	238,668	77,875
Employers Liability	124,798	8,432
Equitable F.&M.	195,540	61,562
Excelsior	186,148	79,784
Federal	606,340	124,870
Federal Mutual	65,959	45,993
F.&G. Underwriters	892,073	357,268
Fidelity-Phenix	922,199	17,456
Fire & Casualty, Conn.	112,993	28,760
Fireman's Fund	1,367,999	540,637
Firemen's of Newark	1,112,470	345,867
First National	82,942	37,779
Florist's Mutual	31,966	25,007
Fulton	65,001	27,470
General Accident	350,062	83,258
General of Seattle	314,544	234,969
Glens Falls	579,811	258,522
Globe Indemnity	111,582	66,954
Globe & Republic	36,712	6,007
Grain Dealers Mutual	894 389	237,150
Grange Mut. Cas.	172,858	79,692
Granite State	57,888	53,246
Great Central	39,250	12,572
Guarantee Mutual	176,133	87,536
Gulf	143,859	86,826
Hamilton Mutual	416,225	166,424
Hanover	371,779	163,047
Hard. Dealers Mut. Fire	242,300	74,221
Harford Mutual	78,450	26,656
Harleysville Mutual	48,617	14,494
Hawkeye-Security	37,242	39,504
Home F. & M.	128,802	87,085
Home Mutual	163,006	96,740
Illinois National	26,783	20,011
Independent Exchange, Mo.	169,415	15,674
Ind. Lumbermens Mut.	242,893	150,035
Industrial Mutual	244,068	3,226
State of Pa.	56,291	69,178
Jersey	31,134	14,452
Liberty Mutual Fire	171,791	19,789
Lititz Mut., Pa.	63,079	43,833
L.&L.&G.	101,101	85,635
London Assurance	85,802	20,101
London & Lancashire	133,100	124,246
Lumbermens Mut. Cas.	119,973	5,716
Lumbermens Mutual, O.	1,353,338	733,678
Lumbermens Alliance	59,569	8,010
Mahoning, O.	721,286	131,274
Manhattan F.&M.	136,160	69,326
Maritime	58,285	79,308
Maryland Casualty	154,488	56,884
Mass. Bonding	57,941	41,015
Mayflower	649,574	360,563
Mercantile	131,658	65,787
Merch.&Bus. Mens. Mut., Pa.	59,024	60
Merchants Fire, N.Y.	329,561	166,397
Merchants Fire, Colo.	89,179	50,603
Merchants Indemnity	53,285	9,418
Merchants & Mfrs. Mut.	158,940	117,575
Merchants Property, Ind.	504,851	276,997
Merrimack Mut., Mass.	56,466	15,743
Michigan Millers Mut.	136,912	72,652
Midwestern Indem.	83,546	21,827
Mill Owners Mut., Ia.	42,002	4,758
Millers Mutual, Ill.	75,715	17,348
Millers National	178,473	149,107
Milwaukee	487,493	209,530
Monarch	114,568	60,636
Motorists Mutual	441,234	144,772
Nat.-Ben Franklin	214,814	171,530
National Fire	1,512,584	769,552
National Mutual	100,701	155,867
National Surety	50,300	20,068
National Union Fire	978,808	415,433
New Amst. Casualty	71,195	36,571
Newark	326,440	238,647
New Hampshire	217,757	138,914
New York Fire	111,401	48,707
New York Underwriters	748,540	448,539
Niagara Fire	430,803	367,425
North British	316,565	56,943
Northern Assurance	196,292	109,444
Northern of N.Y.	367,092	189,857
North River	355,153	209,780
Northwestern Mutual	347,858	102,659
Northwestern National	321,252	127,418
Norwich Union Fire	55,500	32,914
Ohio Casualty	553,940	234,681
Ohio Hardware Mut.	258,062	53,253
Ohio Security	126,481	41,446
Old Colony	110,108	61,230
Pacific, N.Y.	149,632	151,358
Pacific Nat. Fire	130,203	95,477
Pawtucket Mutual	61,325	19,593
Pearl	193,182	144,782
Pennsylvania	377,938	156,521

	Direct Premiums $	Direct Losses $
Pa. Mutual Fire	50,883	23,821
Pa. Lumbermens Mut.	73,330	13,012
Pa. Millers Mut. Fire	154,150	19,451
Philadelphia Mfgrs. Mut.	213,120	9,278
Phoenix of N.Y.	404,747	190,130
Phoenix, Conn.	731,828	384,548
Potomac	30,632	24,102
Preferred Mut., N.Y.	130,917	49,856
Progressive Mut., O.	33,962	23,245
Protection Mutual	160,818	12,170
Providence Washington	162,280	145,914
Queen	325,613	104,589
Quincy Mut. Fire	276,242	48,841
Rein. Corp., N.Y.	86,868	491
Reliable	80,809	45,775
Reliance	585,683	288,656
Republic-Franklin	146,288	88,036
Republic of Dallas	112,795	36,479
Richland-Knox Mut.	384,393	143,485
Royal Exchange	132,914	39,197
Royal Indemnity	163,767	32,344
Royal	750,708	198,195
Safeguard	219,433	104,463
St. Paul F. & M.	818,740	256,281
St. Paul Mercury	77,586	49,691
Seaboard F.&M.	140,659	54,895
Security, Conn.	52,662	18,251
Selective	70,033	23,848
Scottish Union	75,665	16,094
Shelby Mutual	261,181	68,311
South Carolina	110,287	123,152
Springfield F.&M.	842,566	250,863
Standard Accident	113,950	114,437
Standard Fire, Conn.	206,215	122,625
Standard Fire, N.J.	146,552	106,038
State Auto Mut., O.	320,882	158,922
State Farm Fire & Cas.	144,044	66,395
Sun	118,654	34,178
Switzerland General	49,406	9,644
Transcontinental	112,504	53,884
Travelers Indemnity	1,276,875	708,339
Trinity Universal	242,583	103,515
Twin City Fire	26,069	25,458
United Fire	373,171	47,112
U.S. Fire	1,175,906	457,057
Universal Unds. Ins., Mo.	255,437	64,457
Utah Home Fire	50,903	31,083
Utica Fire	80,558	78,193
Wabash Fire & Cas.	36,933	5,302
Warner Reciprocal	142,606	55,675
Westchester Fire	417,803	178,376
Western Fire	129,628	81,275
West. Reserve Mut. Cas., O.	165,677	76,049
Wolverine	115,881	78,521
Worchester Mut. Fire	109,708	16,089
Yorkshire	83,627	11,408
Zurich	146,285	24,928

Extended Coverage

	Direct Premiums $	Direct Losses $
Home	**1,479,149**	**491,795**
Ohio Farmers	**921,709**	**303,430**
Buckeye Union Fire	**914,989**	**410,371**
Nationwide Mut. Fire	**894,654**	**247,856**
Aetna Fire	**804,415**	**225,844**
Great American	**658,311**	**183,474**
Hartford Fire	**605,439**	**153,106**
North America	**563,329**	**117,281**
National Fire	**491,657**	**158,180**
Firemen's of Newark	**460,566**	**151,457**
Aetna Casualty	317,848	96,941
Agricultural	113,889	46,877
Allstate	172,587	49,239
American Casualty	116,097	24,298
American Central	56,684	20,080
American Equitable	86,918	33,131
Amer. Hardware Mut.	79,578	23,646
American Home	35,264	8,926
American	424,630	111,240
Amer. National Fire	46,462	24,674
American States	193,742	83,403
American Surety	26,977	7,172
Atlas	49,032	31,112
Auto-Owners	39,690	25,133
Bankers & Shippers	60,712	24,419
Beacon Mut. Indem.	53,114	19,194
Boston	93,865	33,599
Brotherhood Mutual	29,456	2,437
Buffalo	53,207	20,991
Cambridge Mut. Fire	45,270	13,062
Camden Fire	120,403	47,529
Canners Exchange	28,318	15,869
Celina Mutual	137,936	7,212
Centennial	98,128	103,571
Central Mutual	223,518	69,103
Cincinnati	87,299	22,667
Citizens, N. J.	87,154	39,383
Commercial Union	121,942	32,217
Comm. Union Fire, N.Y.	50,996	11,605
Commonwealth	34,942	12,134
Connecticut Fire	118,785	47,801
Continental Casualty	33,956	17,639
Continental	350,964	144,989
Elevators Mutual	36,702	8,479
Employers Fire	88,821	34,968
Employers Liability	47,264	7,171
Equitable F.&M.	68,836	17,785
Excelsior	64,892	19,103
Federal	158,464	29,550
Federal Mutual	27,501	8,450
F. & G. Underwriters	330,045	93,296
Fidelity-Phenix	306,751	4,734
Fire & Casualty, Conn.	63,925	33,484
Fireman's Fund	428,384	107,037
First National	38,476	13,341
General Accident	123,253	42,189
General of Seattle	131,728	72,510
Glens Falls	207,426	58,214
Globe Indemnity	38,496	6,349
Grange Mutual Cas.	86,381	29,612
Granite State	26,987	8,388
Guarantee Mutual	70,160	33,873
Gulf	80,838	43,649
Hamilton Mutual	184,707	51,691
Hanover	122,184	34,305
Hard. Dealers Mut. Fire	63,201	11,101
Harford Mutual	32,705	12,778
Home F.&M.	40,471	15,342
Home Mutual	80,486	35,730
Independent Exch., Mo.	112,943	4,622
Ind. Lumbermens Mut.	74,672	19,144
Liberty Mutual Fire	48,618	12,552
Lititz Mutual, Pa.	28,470	11,547
L. & L. & G.	27,109	17,771
London Assurance	30,129	3,916
London & Lancashire	45,979	10,848
Lumbermens Mut. Cas.	32,508	5,548
Lumbermens Mutual, O.	338,654	85,618
Mahoning, O.	144,893	440
Manhattan F.&M.	45,367	16,092
Maryland Casualty	53,022	21,998
Mass. Bonding	29,266	4,414
Mayflower	338,828	126,319
Mercantile	46,846	9,995
Merchants Fire, N.Y.	113,603	28,612
Merchants Fire, Colo.	53,318	18,735
Merchants Mfrs. Mut.	67,678	26,530
Merchants Property, Ind.	204,824	62 767
Michigan Millers Mut.	48,934	19,254
Midwestern Indem.	35,403	5,868
Millers National	81,389	29 929
Milwaukee	232,447	62 432
Monarch	57,097	21,379
Motorists Mutual	180,042	51,364
Nat.-Ben Franklin	100,150	43,224
National Mutual	42,319	43,741
National Union Fire	225,995	69,616
New Amst. Casualty	25,776	7,868
Newark	82,826	31,305
New Hampshire	75,040	69,623
New York Fire	50,893	21,684
New York Underwriters	235,891	71,681
Niagara Fire	156,839	51,260
North British	96,092	16,727
Northern Assurance	67,252	24,539
Northern of N.Y.	176,685	67,422
North River	132,404	80,370
Northwestern Mutual	135,030	37,962
Northwestern National	201,686	60,734
Ohio Casualty	247,156	64,222
Ohio Hardware Mut.	69,476	20,527
Ohio Security	54,952	11,641
Old Colony	43,743	15,018
Pacific, N.Y.	60,922	27,124
Pacific Nat. Fire	58,879	34,481
Pawtucket Mutual	28,248	7,739
Pearl	72,820	26,485
Pennsylvania	126,791	32,938
Pa. Millers Mut. Fire	38,036	8,202
Phoenix of N.Y.	131,093	54,642
Phoenix, Conn.	207,282	79,333
Potomac	29,294	6,913
Preferred Mut., N.Y.	56,126	21,871
Progressive Mut., O.	28,429	12,398
Providence Washington	52,312	17,808
Queen	65,381	19,671
Quincy Mut. Fire	240,166	40 339
Reliable	45,022	12,514
Reliance	185,819	43,968
Republic-Franklin	62,536	22,098
Republic of Texas	123,738	36,700
Richland-Knox Mut.	157,328	44,403
Royal Exchange	37,599	10,673
Royal Indemnity	58,329	8,381
Royal	217,327	35,895
Safeguard	79,335	18 349
St. Paul F.&M.	260,187	65,953
Seaboard F.&M.	43,623	10,462
Scottish Union	28,853	8,639
Shelby Mutual	99,820	29.100
South Carolina	36,686	14,697
Springfield F.&M.	223,162	64 929
Standard Accident	55,871	24,008
Standard Fire, Conn.	62,775	25,400
Standard Fire, N.J.	67,519	18.613
State Auto Mut., O.	162,348	44.530
State Farm Fire & Cas.	99,056	35 085
Sun	36,499	13 919
Transcontinental	32,942	16.801
Travelers Indemnity	424,764	148 626
Trinity Universal	102,787	33,010
U.S. Fire	368,546	119 812
Universal Undr. Ins., Mo.	35,641	6,108
Utah Home Fire	30,090	3 848
Utica Fire	39,058	18.200
Vanguard, Tex.	29,741	1.804
Westchester Fire	159,898	68,761
Western Fire	56,024	15,229
West. Res. Mut. Cas., O.	71,232	22,531
Wolverine	52,952	26.180
Worchester Mut. Fire	32,670	7,870
Yorkshire	31,075	9,423
Zurich	66,437	15,702

(OTHER LINES ON NEXT PAGE)

XUM

Homeowners

	Direct Premiums $	Direct Losses $
Nationwide Mutual Fire	**3,492,585**	**692,821**
Buckeye Union Fire	**3,352,370**	**775,377**
Travelers Indemnity	**2,019,349**	**387,456**
Ohio Farmers	**1,944,124**	**432,667**
North America	**1,697,453**	**763,164**
Home	**1,563,382**	**348,866**
Cincinnati	**1,348,131**	**469,971**
American States	**1,200,276**	**384,989**
Allstate	**1,140,758**	**239,674**
Aetna Casualty	**1,136,659**	**352,733**
Aetna Fire	792,942	325,766
Agricultural	188,242	42,791
American Casualty	219,637	40,722
American Central	105,879	15,381
American Employers	59,422	18,675
American Equitable	117,967	18,042
Amer. Hardware Mut.	109,735	57,016
American Home	35,336	7,943
American Indemnity	60,032	8,015
American	716,626	173,031
American Motorists	33,403	24,840
Amer. National Fire	26,226	1,979
Amer. Select Risk	27,129	1,222
American Surety	39,261	14,356
American Union	25,185	5,205
Anchor Casualty	48,640	16,898
Assurance of America	110,883	11,574
Atlantic Mutual	45,266	11,117
Atlas	38,851	13,365
Auto-Owners	217,705	38,373
Automobile Mut., R.I.	28,131	1,097
Bankers & Shippers	239,387	41,558
Beacon Mut. Indem.	259,503	88,368
Boston	123,664	53,095
Buffalo	125,671	19,449
California	30,719	23,450
Cambridge Mut. Fire	180,519	47,345
Camden Fire	184,693	68,068
Celina Mutual	581,683	85,329
Centennial	145,450	31,619
Central Mutual	516,332	116,019
Citizens, N.J.	64,630	21,473
Commercial Union	164,020	55,502
Commercial Union Fire, N.Y.	84,574	19,513
Commonwealth	52,641	6,977
Connecticut Fire	133,804	43,699
Consolidated American	25,678	4,966
Continental	274,665	65,213
Dubuque F.&M.	64,806	18,649
Economy Fire & Cas.	175,341	31,220
Employers Fire	141,980	50,335
Employers Liability	46,655	7,224
Equitable F.&M.	80,112	55,224
Excelsior	191,883	55,535
Federal	270,874	106,365
Federal Mutual	94,902	28,963
Fidelity & Casualty	29,999	5,010
F. & G. Underwriters	583,260	130,919
Fidelity-Phenix	129,100	2,647
Fire & Casualty, Conn.	291,370	13,836
Fireman's Fund	340,124	115,700
Firemen's of Newark	569,413	95,930
Fulton	55,943	11,049
General Accident	359,932	104,412
General of Seattle	417,151	111,753
Glens Falls	281,476	80,803
Globe Indemnity	38,496	6,349
Grain Dealers Mutual	28,457	9,483
Grange Mutual Cas.	489,348	100,021
Granite State	35,823	6,361
Great American	756,152	201,102
Guarantee Mutual	96,735	33,825
Gulf	285,750	62,741
Hamilton Mutual	605,299	128,308
Hanover	196,431	41,954
Hard. Dealers Mut. Fire	143,972	44,071
Harford Mutual	155,540	28,203
Harleysville Mutual	38,933	6,179
Hartford Fire	664,928	163,946
Hawkeye-Security	35,621	6,728
Home F.&M.	45,299	27,139
Home Mutual	188,963	41,312
Illinois National	37,153	10,508
Ind. Lumbermens Mut.	270,229	86,827
Jersey	41,549	11,751
Liberty Mutual Fire	287,130	85,266
Lititz Mutual, Pa.	63,716	6,453
London & Lancashire	44,148	13,309
Lumbermens Mut. Cas.	149,811	38,543
Lumbermens Mut., O.	694,812	167,858
Manhattan F.&M.	79,426	18,700
Maritime	50,035	14,239
Maryland Casualty	91,906	38,189
Mass. Bonding	59,867	5,913
Mayflower	838,799	214,981
Mercantile	68,451	15,726
Merchants Fire, N.Y.	307,350	41,687
Merchants Fire, Colo.	96,067	12,525
Merchants Indemnity	146,107	7,570
Merchants & Mfrs. Mut.	108,866	17,140
Merchants Property, Ind.	305,052	38,426
Merrimack Mut., Mass.	52,760	19,260
Michigan Millers Mut.	151,406	54,677
Michigan Mut. Liab.	55,974	8,500
Midwestern Indem.	177,891	30,038
Millers Mutual, Ill.	40,794	9,441
Millers National	137,067	76,675
Milwaukee	346,352	38,980
Monarch	83,695	15,439
Motorists Mutual	1,003,162	147,518
Nat.-Ben Franklin	136,134	30,771
National Fire	953,975	310,118
National Mutual	50,642	29,468
National Union Fire	353,521	209,280
New Amst. Casualty	99,041	23,911
Newark	115,212	42,584
New England	48,797	5,172
New Hampshire	88,706	16,700
New York Fire	119,692	20,843
New York Underwriters	258,910	53,555
Niagara Fire	168,069	70,686
North British	86,831	27,106
Northern Assurance	106,472	21,055
Northern of N.Y.	677,471	170,178
North River	190,733	41,514
Northwestern Mutual	491,915	132,150
Northwestern National	464,492	87,922
Ohio Casualty	1,014,379	173,100
Ohio Hardware Mut.	96,477	26,567
Ohio Security	146,020	23,530
Old Colony	128,006	30,560
Pacific, N.Y.	216,713	42,324
Pacific Nat. Fire	199,356	69,885
Pawtucket Mutual	83,381	34,639
Pearl	110,174	22,514
Peerless	34,300	20,008
Pennsylvania	162,194	39,357
Pa. Mutual Fire	36,007	3,472
Pa. Millers Mut. Fire	60,220	8,257
Phoenix of N.Y.	191,803	49,005
Phoenix, Conn.	250,315	67,140
Preferred Mut., N.Y.	135,480	28,195
Progressive Mut., O.	129,769	35,929
Providence Washington	60,230	15,277
Queen	60,768	15,545
Quincy Mut. Fire	240,166	40,369
Reliable	87,154	19,221
Reliance	315,244	135,094
Republic-Franklin	201,916	51,924
Republic of Dallas	128,042	8,471
Richland-Knox Mut.	389,160	85,916
Royal Exchange	68,453	18,749
Royal Indemnity	97,534	28,649
Royal	189,289	39,653
Safeguard	139,578	38,305
St. Paul F.&M.	518,346	146,416
St. Paul Mercury	66,838	35,414
Seaboard F.&M.	44,434	8,334
Selective	34,725	7,953
Scottish Union	53,612	8,918
Shelby Mutual	668,903	185,653
South Carolina	52,090	36,144
Springfield F.&M.	208,848	38,143
Standard Accident	85,305	38,625
Standard Fire, Conn.	167,483	61,119
Standard Fire, N.J.	45,579	5,660
State Auto Mut., O.,	913,069	170,488
State Farm Fire & Cas.	1,116,730	158,667
Sun	35,661	6,347
Switzerland General	51,425	17,010
Transcontinental	60,230	20,552
Trinity Universal	437,771	48,747
Union Mutual	34,338	5,371
U. S. Fire	432,944	139,505
Utah Home Fire	25,471	4,410
Utica Fire	114,466	30,512
Vanguard, Tex.	111,422	19,405
West American	47,185	303
Westchester Fire	193,218	65,780
Western Fire	233,175	38,279
West. Reserve Mut. Cas., O.	322,184	106,998
Wolverine	229,337	53,185
Worchester Mut. Fire	86,547	17,684
Yorkshire	30,941	8,681
Zurich	192,873	31,434

Commercial Multiple Peril

Home	**474,720**	**25,627**
Centennial	**328,947**	**296,231**
National Fire	**324,162**	**206,797**

	Direct Premiums $	Direct Losses $
North American	**275,007**	**94,379**
Aetna Fire	**261,642**	**52,638**
Federal	**236,761**	**36,412**
Fireman's Fund	**163,143**	**176,904**
Great America	**149,809**	**31,983**
Cincinnati	**145,685**	**113,814**
St. Paul F. & M.	**93,117**	**9,220**
Aetna Casualty	90,914	52,428
American Casualty	55,505	35,078
American Employers	78,425	12,354
Amer. Hardware Mut.	70,490	15,348
American	67,490	111,627
Camden Fire	42,692	2,944
Central Mutual	85,608	23,667
Commercial Union	38,877	20,849
Connecticut Fire	26,990	5,937
Continental	73,328	25,918
F.&G. Underwriters	37,464	10,191
Hanover	29,865	17,840
Hard. Dealers Mut. Fire	29,770	6,621
Hartford Fire	54,747	46,683
Lumbermens Mut., O.	42,045	3,009
National Union Fire	29,075	2,851
Newark	62,045	6,496
Niagara Fire	38,260	23,455
Ohio Farmers	35,912	1,587
Phoenix, Conn.	80,088	6,072
Royal	40,268	41,653
Travelers Indemnity	91,805	5,649

Inland Marine

	Direct Premiums $	Direct Losses $
Fireman's Fund	**882,298**	**344,459**
Home	**766,276**	**310,209**
North America	**764,163**	**441,507**
Buckeye Union Fire	**742,698**	**316,769**
Aetna Casualty	**717,425**	**255,053**
Aetna Fire	**704,290**	**265,993**
St. Paul F.&M.	**666,337**	**202,552**
Travelers Indemnity	**558,896**	**189,649**
Hartford Fire	**533,086**	**275,631**
National Fire	**492,482**	**210,465**
Agricultural	89,866	25,553
Allstate	25,926	9,802
American Casualty	128,966	34,414
American Central	32,249	22,376
American Employers	31,428	4,333
Amer. Fidelity Fire	36,473	10,336
American Home	34,388	4,624
American	303,124	69,109
American Reciprocal	28,569	2,365
American States	89,695	34,984
American Surety	36,423	25,030
Atlantic Mutual	139,885	39,693
Atlas	94,936	40,124
Boston	199,977	56,097
Camden Fire	61,218	21,367
Centennial	133,162	19,274
Central Mutual	82,511	12,987
Cincinnati	342,814	132,423
Citizens Casualty	291,046	13,582
Citizens, N.J.	52,485	19,954
Commercial Union	122,485	79,644
Commercial Union Fire, N.Y.	41,395	15,131
Connecticut Fire	127,490	35,076
Continental Casualty	220,764	99,364
Continental	276,319	107,289
Employers Fire	97,551	44,497
Employers' Liability	50,762	2,219
Equitable F.&M.	82,483	29,900
Federal	381,296	77,705
F.&G. Underwriters	147,943	61,230
Fidelity-Phenix	67,318	13,516
Firemen's of Newark	113,373	47,433
General Accident	77,760	72,740
General of Seattle	73,473	30,793
Glens Falls	107,671	119,589
Grange Mutual Cas.	39,028	11,516
Great American	414,306	239,438
Hamilton Mutual	46,616	18,144
Hanover	63,294	29,478
Hard. Dealers Mut. Fire	46,877	9,908
Home F.&M.	45,157	53,474
Indemnity Marine	45,506	10,394
Liberty Mutual Fire	77,838	17,112
Lumbermens Mutual, O.	104,191	21,136
Mahoning, O.	123,471	791,846
Manhattan F.&M.	33,697	7,542
Maritime	53,302	24,847
Maryland Casualty	30,683	11,442
Mayflower	104,315	47,544
Merchants Fire, N.Y.	31,051	5,358
Michigan Millers Mut.	55,170	16,414
Michigan Mut. Liab.	28,928	1,175
Millers National	52,146	11,930
Milwaukee	57,806	15,381
Motorists Mutual	33,231	6,815
National Surety	74,110	19,230
National Union Fire	209,320	82,590
Nationwide Mut. Fire	187,289	50,485
Newark	48,481	39,826
New Hampshire	49,496	14,351
New York Underwriters	136,258	45,073
Niagara Fire	54,243	17,402
North British	48,688	6,912
Northern Assurance	38,277	34,464
North River	41,704	10,483
Northwestern Mutual	42,634	16,496
Northwestern National	32,488	12,986
Ocean Accident	112,497	35,449
Ohio Farmers	205,431	60,755
Pacific Employers	38,730	5,979
Pearl	74,508	21,178
Pennsylvania	55,584	35,725
Phoenix, Conn.	331,583	152,384
Providence Washington	66,175	41,466
Reliance	161,800	58,047
Royal Exchange	112,593	74,857
Royal Indemnity	69,650	39,198
Royal	111,578	40,754
St. Paul Mercury	53,451	35,623
Shelby Mutual	32,778	5,592
Springfield F.&M.	128,893	45,788
Standard Fire, Conn.	80,466	23,593
Standard Marine	26,098	4,696
State Auto Mut., O.	82,023	19,782
Sun	92,032	15,770
Switzerland General	25,080	8,736
Transcontinental	26,419	23,585
Trinity Universal	34,222	16,353
U.S. Fire	98,677	28,838
Universal, N.J.	54,528	33,333
Westchester Fire	33,722	32,719
Western Fire	69,378	21,504
Yorkshire	31,150	6,880

Ocean Marine

	Direct Premiums $	Direct Losses $
North America	**522,886**	**208,629**
Federal	**300,226**	**204,637**
Aetna Fire	**222,742**	**57,779**
Fireman's Fund	**171,575**	**59,840**
St. Paul F.M.	**169,824**	**37,969**
U. S. Fire	**148,230**	**65,900**
Home	**131,479**	**61,589**
Great Lakes Protective	**128,952**	**101,084**
Aetna Casualty	**115,473**	**33,272**
Reliance	**103,588**	**33,047**
American	43,892	11,302
Atlantic Mutual	64,088	13,613
Camden Fire	28,868	9,185
Centennial	66,986	17,662
Continental	46,429	72,852
Fidelity-Phenix	53,424	9,086
Firemen's of Newark	99,515	43,978
General of Seattle	30,705	16,832
Glens Falls	67,260	21,584
Hanover	65,158	26,409
Hartford Fire	39,917	7,287
Milwaukee	27,510	6,545
Providence Washington	59,551	41,636
Royal Exchange	49,906	15,650
Sea	60,685	61,882
Standard Accident	42,976	19,481

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Allyn Adjustment Conference

Administrative personnel and office managers of Frank Allyn adjustment organization of Seattle took part in a two-day conference in the home office city last month. Policy forms, company procedures and increased efficiency in claim handling were discussed.

Managers on hand included M. A. Jewell, Bellingham; Dale Smith, Seattle; Alton Snyder, Spokane; Sidney Cary, Tacoma, and A. H. Brown, Yakima.

Loyal T. R. Snyder is president of the Allyn organization, and William E. Fox and T. P. Higdon are managers. All three have been with the organization for 20 years or more.

Gerber Takes Look At Agency System

(CONTINUED FROM PAGE 6)

rating laws in the days ahead. The influence of the federal government and its attitude on rate regulation cannot be minimized. Those who want more liberal rating laws contend that competition will operate more freely under laws without a prior approval provision. If this philosophy prevails it will affect the agent. The bureau companies, in an endeavor to retain their position and recapture some of the lost dollars, have been obliged to reduce rates. All of this reduction cannot come from loss ratios or uncontrollable expenses such as taxes, fees and loss adjustment expense. The largest item of expense is commissions.

"Let us assume that the controllable items have been reduced to a minimum; that automation and systems for economy have been applied. If at that point there remains a differential (beteen the cost of bureau companies and their competitors) where will the companies look for further relief? If the present is an indication of the future, if trends today indicate the circumstances of tomorrow, then the agents are in line for additional commission cuts . . . the present trend in rate filings before the insurance departments would indicate that greater competitive forces are coming into play. If these competitive forces meet head-on in the market arena, the cost of insurance will be reduced. With 60% of the private passenger automobile market controlled by the direct and specialty writers, we can anticipate more competition, more unusual filings to recapture a portion of the market . . . As competition continues will commissions remain circumspect? Obviously there is a low point beyond which producers cannot retreat. But if earnings become incompatible with labor (agents) can exercise their choice of retirement or seek government controls.

"On the question of government controls, the basic issue for agents will be what degree of authority should be vested in government on the question of agents' commissions? This is a matter of concern because of the historical and traditional concept that commissions shall remain an issue of contract between the company and agent and/or broker. As previously stated (he alluded to his earlier remarks about the New York freedom of contract [Barrett-Russo] law which is supposed to guarantee that companies will not use the common rate filing to force unilateral cuts in commissions and its significance as a trend of the agency system to utilize the legislature to maintain a semblance of rate and commission uniformity, a complete departure from the NAIA position of 1924), there has been an indication which points out a weakening of this position in favor of governmental assistance where necessary."

Mr. Gerber said he has noticed recently a number of filings in Illinois which express a desire on the part of the companies to pay higher first year commissions and lower renewals. This is an adaptation from the direct writer and life company practices. He said while he has no reason to believe this is a forerunner of a new concept of commission payments, "it is an interesting venture into a new form of compensation."

1960 Total Premiums Up For St. Lawrence Group

Premiums written by St. Lawrence group showed a gain of more than 57% in 1960.

Cumulative premiums totaled $4,523,832 compared to $1,920,230 in 1959. Only a small part of this gain was contributed by St. Lawrence Life which was acquired by the group late in 1960, according to chairman S. N. Simon.

The number of producers writing casualty, burglary, automobile, plate glass and liquor liability lines for the group increased from 371 to 614 during the year.

S. C. Legislation

A bill to permit motor vehicle carriers to qualify for self insurance by posting a bond has been introduced in South Carolina. Another measure would permit suits against the state for negligent operation of a state motor vehicle. A third bill would permit verdicts in civil cases by vote of 10 of 12 jurors in circuit courts and five of six jurors in lower courts. The 18-man grand jury could bring a matter into court by a vote of 12 members.

Hanover Transfers Ross

Hanover has transferred Donald R. Ross from state agent in eastern Tennessee to state agent in Alabama. He joined the company in 1946 and was in the home office underwriting department before going to Tennessee.

Douglas J. McLean has joined the **Jamerson agency** of Orlando to form the Jamerson-McLean agency. From 1950 to 1958 he was special agent in Boston for Atlantic Mutual and more recently was in central Florida for General of Seattle.

Highway Safety Chief Against Car Governors

In an appearance before the House committee on interstate and foreign commerce, Russell I. Brown, president of Insurance Institute for Highway Safety, opposed a bill that would require governors on motor vehicles sold, shipped or used in interstate commerce and for other purposes.

Mr. Brown pointed out that 29 states have established maximum legal speed limits, based on the design of highways, limitations of automobiles and capabilities of drivers. Of these three factors, he said, the last is most important, because the driver must be able to judge changes in the condition of road and vehicle. The addition of a governor would limit the driver's ability to adjust to these changes, Mr. Brown believes.

He noted that 1960 Accident Facts, published by National Safety Council, reveals that only 1% of the total number of accidents in each state involved vehicles traveling in excess of 70 miles per hour. He suggested that this is a small percentage to use as a basis for requiring all drivers to invest in governors. Further, the limitations and malfunctions of governors might cause more accidents than presently result from speeding.

Mr. Brown maintained that speed violators exceeding 80 miles per hour would be likely to tamper with a governor. Thus, the instrument would become ineffective in controlling the group for which it was designed. In addition, the proposed legislation could lead to a conclusion that the federal government approves speeds up to 80 miles per hour.

Mr. Brown suggested that the solution to the reduction of traffic accidents lies in a comprehensive safety program executed at the state, county and municipal level.

Southern 1752 Elects

Southern 1752 Club held its annual meeting in Roanoke, Va. Approximately 40 field men from the Carolinas, Virginia and District of Columbia attended. Charles Grubbs, Shelby Mutual, was named president to succeed Grover C. Mitchell of the Zachary-Randolph agency, Greenville, S.C. Other officers elected were Frank Britt, Marshall agency, Charlotte, N.C., vice-president; James Boudman, Harleysville Mutual, secretary; and Marshall Robinson, Grain Dealers Mutual, treasurer.

Bollinger Agency Issues Safety Plan For Schools

C. W. Bollinger agency of Newark, which specializes in student and accident plans for the schools of New Jersey, has devised and is furnishing to the schools a complete year round safety program. For each quarter, including the summer months, the agency issues a bulletin with a schedule of monthly safety activities. Subjects covered include good driving and bicycling practices, fire prevention, playground safety, first aid, and proper procedures in all phases of school activity. With each bulletin there is a complete listing of pertinent educational material to enable schools to put the program into practice.

GAB Appoints Brewer

General Adjustment Bureau has named Breece O. Brewer general adjuster at Jamaica, N.Y. He joined GAB there in 1947, was later at Hempstead, N.Y., where he became senior inland marine adjuster, and in 1953 went to Jamestown, N.Y.

Alliance Mutual Cas. Names Claims Head

Alliance Mutual Casualty has appointed Roy C. Albin as head of claims operations. He succeeds A. G. Hawthorne, who retired March 1 but will continue as a consultant to Mr. Albin.

Mr. Albin was formerly with Hardware Mutual of Wisconsin for 20 years at Dallas, being general claims manager for the Dallas region (Texas, Oklahoma, Colorado and New Mexico) at the time of his appointment.

Mr. Hawthorne has been with Alliance for 24 years, as head of the casualty claims department for a number of years and later as vice-president. He helped found National Assn. of Independent Insurance Adjusters, of which he is an honorary life member, and was instrumental in the formation of Kansas Claims Assn.

NAMIA Reopens School

The annual school of National Assn. of Mutual Insurance Agents will be held July 17-Aug. 5, at Oberlin College, Oberlin, O. An additional one-week course in advanced agency management will be held there Aug. 7-11.

David A. Ivry, associate professor of insurance University of Connecticut, and Grant M. Osborn, professor of insurance Arizona State University, will again serve as instructors. The 16 guest lecturers will be insurance executives.

Atlantic Mutual Appoints

Atlantic Mutual has appointed Henry G. Heimstaedt fire supervisor at Philadelphia. He joined the company in 1950 and has done underwriting and field work in fire and allied lines at the home office and in Philadelphia.

NAIA Committees Report On Important Developments In Business

(CONTINUED FROM PAGE 2)

other rating bureaus.

IRIC has indicated it is considering the possibility of recommending nationally the rental value premium adjustment form.

The package policy program for motels contemplates a discount in rate of approximately 25%, Mr. MacBean reported. The discount is expected to be 20% on the apartment house form.

He said agents welcome the current reductions in outboard motor liability rates, plus automatic coverage for replacement outboards regardless of horsepower and without premium adjustment during the policy term in comprehensive personal liability policies. However, he doesn't believe this goes far enough. But he understands that in homeowners outboards will get completely automatic cover regardless of horsepower and whether or not the outboards are new or replacement.

Signed applications required in the safe driver and merit rating plan will permit further refinement of classification of drivers by age so that the present break point of 25 can be, perhaps, further refined in the future, he said. Before year-end, he added, agents will have the combined garage liability and garage keepers legal liability contract available so two policies will no longer be necessary.

He said agents were very glad to learn that the so-called non-can auto policy has been made available only in New York and is not anticipated elsewhere at present.

Unusual Coverages

Mr. MacBean emphasized that the bureaus already have on file in most jurisdictions rules that allow the handling of unique or unusually hazardous risks, including methods of securing department approval for rates in excess of filed manual rates. He urged agents to check with their insurers on any cases in which they may be interested and on which it is necessary to secure special approval. It is not always necessary to go into the surplus lines market to get coverage for unusual or extra-hazardous risks.

National Bureau is reviewing experience under the increased limits tables, he reported. The bureau indicated that several states have higher increased limits tables at present. Its studies indicate that it might be necessary to promulgate smaller increased limits factors for certain lower limits and higher ones for certain higher limits. The bureau is considering the printing of manual pages based on an increase over the more or less new standard limits of 10/20 rather than the old limits of 5/10.

While there is no unanimity of opinion, Dorsey B. Kinnamon of Wilmington feels that of the several constructive plans offered thus far, mandatory uninsured motorist coverage is the best for meeting the threat of compulsory automobile insurance. He reported for the special compulsory auto subcommittee, of which he is chairman. Mandatory UM seems to be working well in states that have adopted it, particularly in South Carolina and Virginia.

Insured Percentage Rises

The South Carolina highway department currently estimates that only 2.57% of registered vehicles are uninsured. This is a very substantial increase in the number of insured motor vehicles since the passage of the mandatory UM law.

Proponents of the mandatory UM regard it as the only pure insurance alternative to compulsory, Mr. Kinnamon said.

The agency management committee and the New York staff have conducted preliminary investigations into personnel programs for agents, Rosser Long, of Fayetteville, W. Va., chairman of the committee, reported. Initial contact has been established with psychological and aptitude testing firms with the idea of developing methods for screening younger men entering the agency ranks and those coming in as office workers. Investigation in this area is expected to provide material for future projects of the committee.

The committee will hold a 2½ hour agency management program at the Dallas convention that will deal with automation, collections, hiring, compensation, and office routine.

I. A. Rosenbaum Jr. of Meridian, Miss., chairman of the educational committee, said the committee has activated the Insurance Institute of America program. It utilizes both classrooms and self-study methods and is gradually receiving acceptance around the country. The program has been tried in Washington, D.C., and has shown satisfactory results for the participants.

Women's associations apparently are more interested than the agents, Mr.

Rosenbaum observed. However, groups of agents, unaffiliated with local boards, are organizing to utilize the study program. Local boards should be awakened to the need for organizing groups of 10 or more to participate in this program.

Curtis M. Elliott's book, Property & Casualty Insurance, is in its second printing, and has sold 4,900 copies. Two new manuscripts have been received by the New York office. One deals with the building of a successful agency and is being processed by McGraw-Hill. The other, a secretary's handbook, is under review. It is expected that a third manuscript, on boiler and machinery insurance, will be submitted in the near future.

Institute Program

The second National Educational Institute will be held at Ohio State University in Columbus, June 18-23, Mr. Rosenbaum reported. The institute covers (1) fundamentals of insurance, (2) basic rating, and (3) advanced agency management. This year the latter will deal with custom-made coverages through surplus lines, office management and organization, electronic accounting for the agency, agency legal problems, an advertising program that sells, increased profits from fidelity and contract bonding, current changes, and a panel discussion of selling and servicing the industrial account. The Ohio association co-sponsors the institute.

C. D. Sweet of Woodland, Cal., chairman of the rural and small lines agents committee recommended that its name be changed to "rural agents committee." The growth in rural areas and mergers of agencies make the present name archaic. The name change would help develop more interest in the group's work, he believes. In four years he has detected considerable resentment among members of the committee to the words "small lines." Many rural agents are large producers who have attained the professional ability and respect of their urban counterparts.

The committee is planning a panel program for the NAIA annual in Dallas. This will be Tuesday morning from 9:30 to 12 noon, in cooperation with the property committee.

Accident Prevention

The accident prevention committee is actively participating in the five year program being developed by the President's Committee for Traffic Safety, Stanley W. Greaves of River Edge, N.J., reported as chairman. He urged support of the membership in promoting the program.

The advisory council of the President's committee has completed its review of state needs. Separate recommendations for action will be put into one over-all plan that is dovetailed with existing programs of the operating safety organizations. The total plan will subsequently be submitted for advisory council consideration and recommendation. Mr. Greaves is on the advisory council and has been delegated to take part in the educational section of the action program. The program is expected to get under way soon.

Mr. Greaves called attention to establishment of a federal register of names of drunk drivers and drivers involved in fatal accidents. He anticipates that the government will get deeper and deeper into highway accidents and their causes. Eventually it will have to take over more and more phases of the motor vehicle operation on public highways in order to reduce the tragic loss of life, Mr. Greaves believes. In his opinion, traffic accidents are getting worse instead of better.

Homeowners Course At N. Y. Insurance Society

The school of Insurance Society of New York will offer a special course beginning May 3 on the 1959 homeowners forms. T. R. Schulz, assistant manager underwriting department Home, will discuss these contracts and rules governing their issuance. Classes will meet Wednesday evenings from 5:30 to 8:30 for five weeks. Registration is at the society's office, 225 Broadway.

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Hartford Fire Runs Ads

Hartford Fire group has inaugurated an advertising campaign in connection with the Civil War centennial. The ads feature facsimiles of policies issued by the company to Abraham Lincoln and Robert E. Lee. The ads have appeared in National Geographic and Saturday Evening Post.

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Two New CPCU Chapters

New chapters of CPCU have been established at San Diego and in western Michigan.

Officers of the San Diego chapter are George H. Tompkins Jr., president; John A. Drenth, La Mesa, vice-president; and Alan B. Cobbe, Fireman's Fund, secretary-treasurer.

Officers for western Michigan are William J. Dailey, American States, president; Robert H. Martin, American States, vice-president; Fred Garbrecht, Grand Rapids agent, secretary; and John A. Heyboer, Great American, treasurer.

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The Los Angeles office of **Rathbone, King & Seeley** is being moved to 1508 Wilshire Boulevard.

NYFIRO's Management Improvement Plan Proves Value

(CONTINUED FROM PAGE 4)

through elaborate training programs for supervisors and lower level employes. These organizations sometimes assume that their managements have all the answers with respect to improvement programs and that top level personnel are ipso facto able to transmit effectively to those below them in rank the principles and practices involved.

NYFIRO did not make this serious mistake. Its management decided to learn as much as possible about improvement programs before attempting to lead others. Accordingly, a number of top NYFIRO men attended American Management Assn. seminars where they rubbed elbows with managerial executives from other fields of business—in itself a unique experience for most insurance men. They are inclined to be slightly ingrown and they usually take counsel only with others in the same business. NYFIRO management also consulted with other business organizations, including insurers, and in the quest for practical aids discovered and utilized valuable information from the U.S. Air Force Manual.

The managers at all NYFIRO offices have participated in basic introductory workshop courses held within the organization on the broad subject of management. They have studied the methods and techniques of indoctrinating employes—not to brainwash them, but to convey the fundamental purposes, practices and philosophy of the organization. The managers have explored the subject of record and expense control to keep pace with the general trend in the business to pare costs while increasing efficiency. They have attended communications workshops to improve the tone and content of all messages—oral and written—emanating from NYFIRO. Twice a year, the managers gather for three day round table meetings where no holds are barred in the exchange of views on all phases of management improvement.

From these logical beginnings, the program works down through department heads, supervisors, key personnel, and other members of the staff to the degree that they are affected by various features of the plan.

Career Organization

In undertaking the program, NYFIRO never lost sight of the paramount, long range objective: Development of men to fill the managerial and supervisory posts now held by career veterans in the organization. This is a tall order to fill, since present NYFIRO management represents the accumulated skills of long years of service. Mr. Smith has been with the organization 24 years. His assistant managers at the central office also hold long tenure: R. M. Kennedy, 16 years; R. C. Hayden, 25; J. E. Blowers, 14, and A. J. Bucksar, 43. P. B. Guenther, treasurer, is a 22 year veteran.

Divisional managers are also career men: R. A. Pellettier, Albany, 10 years; H. L. Betts, Syracuse, 38; M. W. Woodworth, Rochester, 35; W. T. Skurka, Buffalo, 41, and R. D. Knapp, metropolitan New York, 37. The 11 men cited have a total of 305 years of service for an average of 27.7 years.

Rather than settling for the usual lip service in connection with the goal of replacing career men, NYFIRO adopted a realistic philosophy: The route for advancement of employes must be paved not with good intentions but with streamlined and efficient operating practices, enabling every individual to broaden himself to the maximum of his capacities.

Detail Handling Unit

Perhaps the outstanding outgrowth of the program to date has been the creation of an "office services unit" in the New York division of NYFIRO. This unit was formed by moving 85 persons out of other departments into a new group whose function is to handle all the detail work of the inspection, rating and stamping departments. Thus, the administrative and technical men in these divisions are relieved of burdensome tasks and are free to concentrate on their productive specialties.

This move by NYFIRO was based on information gained at AMA seminars where it was revealed that office service units are often used in other types of business. In a day when so much is being said and so little done about relieving managerial personnel of paper work and niggling detail, some insurers might consider the value of a unit like NYFIRO's office services setup. It allows experts in major departments to work full time at the job in which they really excel.

The management development program has led to many other improvements in NYFIRO operations. Inspection forms have been revamped, enabling inspectors to complete them in the field instead of merely compiling information there and transcribing it

later in complete form in the office. It is estimated that the inspectors' work output will be increased 25% by this one change.

Bureaus are often suspected of harboring "bureaucrats"—with all the unfavorable implications attached to that term in the way of bustling activity and little accomplishment to show for it. NYFIRO, however, measures its accomplishments by keeping a close check on all its work products through a monthly production summary adopted as a result of the management improvement program.

Daily Score Card

On a daily basis, this summary details for each month the number of regular letters typed, the number of form letters, the volume of criticisms, and of rate cards. Also detailed are the number of rate schedules written, a listing of special typing work, the volume of written rate quotations and of those given by phone to local and "outside" callers. Many other phases of NYFIRO activity are also recorded on this summary so that there is at all times a running record of what has been accomplished on each working day. Critics of bureaus might consider whether a similar record exists in their own organizations.

Other improvements have been made by development of expense control forms, by adoption of new mathematical, typing and filing tests for prospective employes, by the innovation of flow charts to show what happens to daily reports on their way through NYFIRO departments, by improved circulation of publications to key members of the staff, by greater efficiency in the ordering and handling of printing and supplies, and by closer checks on the physical condition of the organization's automobiles. Thus it is apparent that every tangible aspect of its operation has been carefully scrutinized by NYFIRO management and improved where necessary.

Underlying these tangible accomplishments which grew out of the formal phases of the program has been the simultaneous development of management personnel who are concerned with discharging the improved functions. NYFIRO had decided at the outset that management development is principally self development and that managerial ability cannot be created in classrooms but must grow on the job. The program therefore has been a successful effort to interweave the threads of management training into the fabric of everyday business activity.

Wide Latitude

Moreover, the program has not been imposed on all offices by the New York headquarters. Each manager of the outlying offices has been encouraged to initiate and maintain a continuing evaluation of the production of his own staff through monthly and quarterly reports. In prior years, these had been regarded essentially as production reports to the general manager. Transformed into added tools for the improvement of each office, however, these reports have also led to evaluation of jobs and of the individuals performing them with a view to improving both.

These procedures are in keeping with the most important phase of the improvement program: Delegation of increased responsibility to each manager and to many department heads. Although developing and overseeing the broad outlines of the program is the job of the central office, the full responsibility for proper training of individuals in all offices rests on the local manager. Each also has the responsibility for recognizing early signs of potential leadership abilities and of making sure that each such person is given every encouragement to remain and progress with the organization.

In effect, then, all NYFIRO offices for the past several years have been workshops for improvement of operations and development of future talent. Thus, NYFIRO has effectively refuted allegations that bureaus are hotbeds of "stand-patism," and has kept pace with the most progressive insurers in gearing for the future.

American Home Names Three Claim Managers

American Home has appointed John J. Coyle, M. Richard Holm, and Earl O. Cunningham Jr. claim managers at Jacksonville, Newark and Philadelphia, respectively. Mr. Coyle had supervisory duties at the home office, Mr. Holm was an adjuster at Newark, and Mr. Cunningham has recently joined the company after claims experience in the utility business as well as in insurance.

Carolina Agents to Meet

Carolinas Assn. of Mutual Insurance Agents will hold its annual convention at Asheville, N.C., June 15-17. Albert T. Correll of Spartanburg, S.C., is chairman of the convention committee. George R. McKiever of Miami, president of NAMIA, and Robert Dauer, associate editor of the Fire, Casualty & Surety Bulletins, will speak. The Adams Training Institute will present its training program.

Robert H. King of Raleigh is president of the Carolinas association.

At **Biloxi** Prendergast Insurance Inc. general lines agency, has been purchased by Burnett Baronich, agency employe, and Joseph Thornton, formerly with Lee National Life.

Gives EAC News Of Cover Developments

(CONTINUED FROM PAGE 10)

replace the basic dwelling building and contents form originally adopted in 1941; (2) a household personal property form to replace the basic household furniture form originally adopted in 1941 for dwelling occupancy but later changed to include furniture in apartments, hotels, stores, and dwellings (not in storage), and (3) a general property form. The latter is one form for mercantile, manufacturing, and other special occupancies, such as schools, churches, hotels and apartments.

Use of the three forms will eliminate a number of special forms, eliminate the necessity of many endorsements such as consequential loss, reduce the cost of printing and stocking, provide uniform identification and consolidated wording which will assist adjusters in handling catastrophe losses, and reduce supplies in agencies.

In the 42 states where IRIC's public and institutional property plan has been approved approximately 90% of the contracts are written blanket and 10% specific, Mr. Windsor reported. Nearly 50% are issued on a replacement cost basis. A very limited number cover on an all risk basis or high deductible through deviating or independent filings.

Discuss Combined Ratio

The agents' committee discussed with IRIC the feasibility of rating organizations publishing a combined fire and extended coverage rate. IRIC indicated that there are some advantages. However, loss of separate statistics needed for rate level reviews, particularly in windstorm areas, would more than offset the advantages, at least at this time.

The new motel policy has been filed in 10 eastern states. The forms for apartments and office buildings are ready and filings will be made in the near future.

Surety Assn. Releases License Bonds Booklet

The purposes and functions of license bonds are discussed in a 24-page booklet released by Surety Assn. of America, and titled "License Bonds—An Aid to the Administration of License Laws."

The booklet features categories in which license bonds are grouped, their application to specific types of business, and their scope of coverage. Appendices illustrate typical license bonds and present a lengthy list exemplifying the many businesses that require licenses and surety bonds.

Single copies may be obtained without charge from the educational department of the association at 60 John Street, New York.

1752 Club Clinics

The New England 1752 Club is holding its annual spring clinics in four territories on May 9, 10, and 11. In Massachusetts the clinic will be presented May 9 at Lawrence, May 10 at Framingham, and May 11 at Chicopee. In southeast New England the schedule is Hyannis, Mass., Warwick, R.I., and Taunton, Mass.

In Connecticut the schedule is Willimantic, Newington, and Orange, and in upper New England, Portland, Me., Concord, N.H., and Montpelier, Vt.

Four NAIIA Members Make Changes In Their Facilities

Four members of National Assn. of Independent Insurance Adjusters have made changes in their facilities.

E. R. Hume & Co. of White Plains, N. Y., has opened a branch at Valley Stream, L. I., the address being 125 Fairfield Street.

Frost & Hansen of San Francisco has changed its name to W. C. Frost & Co. on the retirement of Arthur J. Hansen.

The Johnson Co. of Marquette, Mich., has opened a branch in Iron Mountain with John Jacobs in charge. He has been with Employers Mutual of Wausau. The Iron Mountain office is in the Commercial National Bank Building.

VanDerMoere & Co. of Indianapolis has taken John E. Ahern and A. L. Nauman into partnership. The organization has opened a branch office at Terre Haute, Ind., and Mr. Nauman will be in charge at 331½ Ohio Street.

J. Owen Stalson Buys Eastern Underwriter

NEW YORK—In a change of ownership of the Eastern Underwriter, insurance weekly which has been published here since 1907, the stock ownership interests of Clarence Axman, president, treasurer and editor, and William L. Hadley, vice-president, secretary and general manager, have been sold to J. Owen Stalson, management consultant in the insurance field, who becomes publisher of the Eastern Underwriter.

No changes in the Eastern Underwriter's editorial policies are contemplated, and the present editorial staff will continue with the paper under the editorship of Mr. Axman, who has held this position since 1913.

Active In Consulting Work

The Eastern Underwriter's new publisher has been active in the field of management consulting, investment banking and insurance education. He is director of the School of Insurance Administration at Greenwich, Conn., and in the last decade has conducted 14 seminars for executives of life companies. The faculties for these seminar have been recruited from the graduate schools of business of Harvard and Columbia universities and from insurance company executives. The seminars have been conducted at Columbia University, the Lake Placid (N.Y.) Club, and Savannah, Ga.

A graduate of University of Minnesota, Mr. Stalson holds a master of business administration degree from Harvard Business School and a doctor of commercial science degree from that school. He has served in the life field as an agent and general agent and is the author of a definitive history of the life insurance business in America.

Besides Mr. Axman, the Eastern Underwriter editorial staff includes L. Jerome Philp, managing editor, Anne Marie Miller, assistant managing editor; three associate editors—Wallace L. Clapp, casualty insurance and a vice-president of the Eastern Underwriter Co., Edwin N. Eager, fire and marine, and Oliver J. Jones, life insurance. Sidney S. Whipple is assistant casualty editor and G. Marguerite Samuels is editorial assistant.

Medical Plan For Conn. Seniors Moves Along

The Connecticut senate has approved a measure backed by insurers based in the state to provide major medical coverage for senior citizens. Legislative permission is necessary to give state sanction to the plan which involves joint action by the companies.

Company committees, in anticipation of approval by the Connecticut house and then by the governor, are now at work on details of the program.

More Wins For The Defense

Personal injury cases in Chicago courts were decided 11 times for defendants and five times for plaintiffs last week, according to the data compiled by Cook County Jury Verdict Reporter. Damages awarded came to $68,400 out of a total demand in the 16 cases of $276,873. The largest verdict of the week was $20,000 to a pedestrian hit by an automobile, and $15,000 was awarded by a jury to a 15-year old bicyclist who tumbled over a hose used by a city crew. The defense in this case was a city ordinance stating "no child over 12 shall ride a bicycle on a sidewalk."

Since Sept. 1, 1960, defendants have won 226 cases, plaintiffs 180, and there have been 23 deadlocked juries. Total damages awarded are $2,356,387 out of a total demand of $10,865,827. The $2.3 million awarded compares with offers by the defense of $1.3 million.

Va. Assn. Slates Workshops

Virginia Assn. is holding regional workshops at Abingdon, April 24; Roanoke, April 25; Luray, April 26; Richmond, April 27; and Norfolk, April 28. James Cahill, secretary National Bureau, will analyze the 1961 automobile rate and policy revisions, and George M. Erwin, Atlanta agent, will discuss agency consolidations and mergers.

D. C. Agents Elect

District of Columbia Assn. of Insurance Agents has elected Ralph W. Lee III president, Gerald K. Cassidy 1st vice-president, Robert V. Oxenham 2nd vice-president, Charles A. Shortt secretary, Lowell E. Seim treasurer, and Joseph L. B. Murray state national director.

NAIA Membership Is Down 284 Since Sept.

As of April 1 membership of National Assn. of Insurance Agents was 34,487, a loss of 284 since last September, Joseph L. B. Murray of Washington, D.C., reported at the midyear meeting in Philadelphia. He is chairman of the membership committee.

Investigation shows that non-payment of dues continues to be the major reason for drop-outs—apparently due principally to reduction of commissions of heavy automobile producing agents. The reason next in importance is mergers, he said. He predicted an increase of approximately 30% in mergers by the end of NAIA's fiscal year.

Membership Must Grow

If NAIA is to continue to remain a vital force in the business, membership must grow, he declared. In the light of current industry problems, any sizable reduction in membership could prove costly.

Health Council's Aims For Future Covered At Annual

(CONTINUED FROM PAGE 11)

other interested agencies take the responsibility for implementing the recommendations of a study conducted by the Commission on Financing Hospital Care. These recommendations were aimed at improving the efficiency and effectiveness of prepayment and insurance plans, including the development of more adequate benefit provisions and the more efficient use of funds.

"The hard work put forth by Health Insurance Council over the past several years is beginning to bear fruit," Roger N. White, director of medical services and economic research of Illinois Medical Society said during a panel discussion of liaison between the medical profession and the insurance business.

Panel Members Named

Other panel members were Howard O. Brower, assistant secretary of the American Medical Assn.'s council on medical service, and B. S. Rowland, co-chairman of the western Pennsylvania committee of the HIC and district group claim manager of Prudential. Panel moderator was Albert V. Whitehall, vice-chairman of the HIC.

Mr. White said the machinery is available on the state and district levels in Illinois to do a good liaison job on problems of mutual interest to doctors and insurance men.

It is not enough to have physicians interested, said Mr. White, insurance companies must be prepared to utilize the machinery once it is set up.

"About the worst thing that can happen is to get something started and have it fall apart for lack of use—it may not get started again for another five years," he said.

Metcoff, Krzywicki Raised By St. Lawrence Group

St. Lawrence group of Chicago has advanced A. J. Metcoff to assistant secretary and underwriting supervisor and Stanley F. Krzywicki to general liability supervisor. Mr. Metcoff was underwriting manager and Mr. Krzywicki has been a liability underwriter.

CPCUs Hear Bond Problems

Current problems in the contract bond business were discussed at the April meeting of Chicago CPCU chapter. Speakers were Theodore J. Adams, Royal-Globe, on contract bonds, and Harry T. Helton, American Surety, who spoke on fidelity.

IAHU Likes Mills' OASI Bill Except Part About Lower Retirement Age

International Assn. of Health Underwriters has praised Rep. Mills of Arkansas and his colleagues on the House ways and means committee for "an excellent job refining social security proposals" contained in the administration bill.

The Mills' modifications, according to IAHU, "embody a realistic approach to the matter of social security liberalization."

One Objection Raised

However, one objection was raised: that the Mills bill followed the administration proposal to lower the retirement age to 62. In a letter to Rep. Mills, Bruce Gifford, managing director of IAHU, noted: "We feel reduction would tend to induce and force men to terminate their productive lives prematurely. It has been the age 65 social security retirement benchmark that has influenced business and industry to set a similar retirement age level as a matter of company policy."

Mr. Gifford pointed out that 65 has proven to be too early an age to lose productive men from industry and a reduction in this age would further accentuate this loss and encourage a downward trend in retirement age. There are indications that the nation will soon need the utmost from manpower resources again, he said.

The administration bill called for increase of minimum benefits for retired workers ($33 to $43); reduction of eligibility requirements to one out of every four quarters of covered work after 1950 instead of the present one out of every three quarters, and an increase in the aged widow's benefit. The bill further proposed liberalization of the disability definition and a reduction of the optional retirement age to 62.

Mills Minimum Benefit $40

The Mills bill establishes the minimum benefit at $40, rather than $43 and increases the widow's benefit from 75% to 82½% of the husband's benefit. It follows the administration bill on the easing of covered quarter eligibility; but it does not change the disability definition, nor the taxable wage base.

To pay for the increase in benefits, the Mills measure would increase the tax on employes and employers one-eighth of 1% instead of one-quarter of 1% asked for in the administration bill. Self employed would pay three sixteenths of 1%. Tax and benefits would become effective Jan. 1, 1962.

Western CPCUs Conduct Seminar At Carmel, Cal.

Educational programs and informal group discussions were held at the three-day western district institute of CPCU at Carmel, Cal. Forty CPCU keyholders attended.

The program was kicked off by a presentation on "The Crisis in Health Coverage" by Robert S. Holtom, John W. Carroll and Charles H. Core. Mr. Holtom analyzed the problem areas brought about by changes in the social and economic structure, the increasing percentage of older citizens, inadequacies of current coverages, and the threat to private plans from legislation and government intervention.

After comparing the Blue Cross and Blue Shield programs with insurance plans and with miscellaneous local plans such as the Kaiser Foundation and Ross-Loos, he detailed four specific areas which should receive attention: extension of protection to more aged citizens, control of administrative costs, policies to cover greater share of total costs of illness, and better informing of the public.

Mr. Carroll outlined innovations in health coverage. He pointed out that health insurance is a relatively new industry, having received its start in 1929. Looking to the future, he said the big gains will come in major medical coverage. In 1952, this was still revolutionary, but now it applies to 22 million persons.

Mr. Core summed up the general discussion. Inasmuch as history has shown that everything taken over by the government has grown, it is particularly important to prevent a government foothold in the business. He noted that medical societies have changed their position and now favor the insurance approach. Doctors, as a group, believe in the indemnity approach rather than fixed schedules, and they are in favor of eliminating first-dollar coverage.

Thursday afternoon's program featured a discussion on "Package Policies in Evolution." Joseph J. Graham, casualty manager of North America, detailed some of the history of package policies and spoke of opposition encountered in the early years. In the large line field, an important recent development has been the blanket catastrophe liability policy, also known as the umbrella, bumbershoot, big top, etc. This policy has filled a need in providing coverage for catastrophe risks yet allowing the insured to self-insure those portions of the risk he feels he can handle. Mr. Graham felt there was no denying that the principle of blanket catastrophe liability insurance, with a dropdown into areas uninsured or self-insured, is now a permanent part of the insurance program of large and small industries.

Fred W. Greenlaw, insurance manager of Kaiser Aluminum, pointed out that packaging is a tool used by insurance buyers for flexibility in designing their programs. It enables them to break down artificial barriers created by rating regulations and enables the insurance program to include a large number of insurable perils, deductibles, and in general broader coverage at lower cost.

He noted that even though the homeowners policy is a relatively recent development, the nationwide premium for homeowners is now about 40% of the total fire premium. This typifies the growing character of the general policy of packaging.

The difference in approach used by buyers and underwriters is that the buyer starts with risk whereas the underwriter starts first with policies which are available, Mr. Greenlaw said. Insurable risks are merely a minor part of the entire business risk spectrum and the approach of the buyers is first to eliminate the risk, second to minimize it, third to self-assume it, and only if these prove inadequate, to insure it.

On Friday morning, Earl F. Cheit of University of California, spoke on "Workmen's Compensation: Its Status and Future." He went into considerable depth regarding his findings from a recent four-year study of the subject under a grant from the Ford Foundation. His findings have been summarized in a book soon to be issued titled "Injury and Recovery in the Course of Employment."

He noted that workmen's compensation has come under increasing criticism and is under pressure from several sides. Concern is felt by employers and others who see inequities in the current programs and inadequate rehabilitation measures. Social security has been expanding into disability and could go on into workmen's compensation. He pointed out that the main problem area is that of permanent disability, since temporary disability seems to be handled adequately and death benefits are not a major cost item proportionately. Schedules of disability benefits do not really work since they do not apply with precision, even with lists of over 1,000 degrees of ailments, he said.

Francesco M. Nicosia, University of California, discussed "Market Research Techniques, the General Consumer and the Insurance Buyer." He said much better results are obtained when definite goals are spelled out and specific policies developed to achieve them. He broke down the various aspects which can contribute to revenue income and analyzed the functions of behavior which determine results.

Phoenix Of Hartford Adopts New Symbol

Phoenix of Hartford has adopted a newly designed symbol based on the mythological bird, the Phoenix. The symbol will be employed by the company in its marketing, advertising and promotional activities.

Springfield Shifts Secretary To N. Y.

Springfield has transferred Bernhard E. Marsian, secretary in charge of property underwriting, to the mid-Atlantic region with headquarters at New York. He joined the company in 1924. After filling various underwriting and administrative posts he was elected assistant secretary in 1953 and secretary in 1955.

Editorial Comment

The Hard Road To Understanding

One thing that helps the buyer understand the product is the cost of it in comparison with its mass, style, and utility—so many dollars for so many cubic feet of freezer, so many cents for a pound of potatoes, and so many big dollars for an automobile.

But in property and liability insurance, no such ready comparison is possible. The contract, which those in the business think of as the product, does not mean product to the buyer, as, properly, it should not. The price has little or no reference to a point or reality familiar to the buyer, as does the size of the freezer, the edibility of the potatoes, and the horsepower of the motor car.

The cost reference in property and liability insurance is quite indirect and most difficult for the public to understand. In fact, such sophisticated parts of the public as legislators, insurance departments, and even individuals in the insurance business do not fully understand it. The general public has little disposition and less time to do so. It pretty much has to accept the cost on faith, another example in insurance of the need for an extremely trustworthy image.

For the cost may run to places, events, and people remote from the user: To an accident that occurred 300 miles away, of which he never hears, involving people he didn't know, and producing results which he would little understand even if he knew about them, which he doesn't.

Thus the costs fan out and disappear into a limbo. They are brought together and translated into premiums by a process unfamiliar to him and which he resents when they are discussed in connection with rate rises which he must pay.

Add to this the fact that he does not see the product delivered (the claim paid, the loss reimbursed, the liability defended) for a day, a week, a year, or ever.

In contrast, he had the freezer, he ate the potatoes, and he wore out the car.

Even in insurance he pays dollars for life against contingencies with which he is familiar—death, disease, disability, and desuetude. He can equate the dollars he has paid against the company's promise to pay—in amounts that at least come close to payments. Thus the certainties of old age and death are all around him, and he gets a fresh view of them every day, by observation or experience. Contrast this with the haphazard events which go into the pricing of property and liability insurance. They are almost always outside his ken geographically and infrequently if ever a part of his every day observation—and even more rarely do they form a part of his experience. Yet he may be paying more for property and liability insurance than for life insurance—2C drivers in New York City at $400 a year, for example.

It is not surprising that he has an imperfect understanding, if any at all, about auto liability rate making or about the multi-compounding of the homeowners premium.

Difficult as this makes the problem of public understanding appear, it only serves to emphasize the need for this business to make the best effort of which it is capable to make itself understood.—K.O.F.

A Dip Into Serendipity

Cries for research in the business are daily growing more clamorous. Those demanding such activity undoubtedly have a worthy end in mind, but it is doubtful if they have an identified starting point for the research they advocate. Even if they have, this "takeoff" point may have no bearing whatever on the end result of their proposed investigations.

Research is a tricky business. For example, when the French started to build the Panama Canal they conducted extensive studies on how to move soil and other mechanical procedures. What they should have been studying was mosquitoes. These buzzing pests stung the French right out of the project and killed many of them. When the Americans stepped in, and their ranks began to be depleted by yellow fever, they put Major William Gorgas on a research project and he turned up the real problem—mosquitoes.

No one could have anticipated that these insects held the key to the completion of the canal. If anyone had suggested mosquito research before construction started, he would probably have been gently nudged into a haven for the mentally afflicted.

This is not an extreme example. It is typical of most if not all research projects. There is simply no way of determining where to start and of being sure that the point selected will lead to fruitful results.

Research is not an independent function apart from the basic activity which prompts it. It cannot be undertaken and completed before that activity gets under way. It must be coincidental and continuous all through the life of a given project. Any researcher who shows up with a blueprint guaranteed to produce results before the work starts should be suspect.

These points might well be borne in mind by those in charge of insurance marketing departments. Some of these executives have research men on their staffs and they are fond of quoting the latter on such matters as the population explosion and the consequent potentials for insurance sales. This sort of stuff—apart from the fact that it can be obtained by the bale from free government publications—is not research. It makes some sense for these "researchers" to point out that there will be 220 million people in this country by such and such a year, but it makes no sense at all to predict that most of them will be clamoring for homeowners or safe driver policies. These may be out of date by the year in question, or people may be living in fire and wind proof homes that are burglar resistant, and they may be riding around in helicopters which will solve the auto insurance problem once and for all.

Researchers must toe the starting mark with those concerned in the practical day-to-day operation of the activity they are invesitgating. The researchers can lay down some guide lines, and the practical men can follow them until results begin to appear. Meanwhile, the researchers are closely studying what is going on. They then suggest another refinement, then another. Many will be suggested to them by the unexpected impact of seemingly unrelated events and factors —as in the case of the mosquitoes.

Research men worth their salt will freely admit that they are gropers rather than scientific navigators to clear out goals. All research men might take as their models the three princes of Serendip, who in their travels were constantly discovering valuable and agreeable things, which they were not looking for at all. From this fable the word "serendipity" has evolved. It is recommended as a slogan to researchers.—J.N.C.

Personals

Percy Bugbee, general manager of National Fire Protection Assn., was presented by his staff with a color portrait of himself in commemoration of 40 years of service.

Aaron S. Feinerman, Harrisburg, former president of Pennsylvania Assn. of Insurance Agents, has entered Polyclinic Hospital, Harrisburg, for a minor operation.

J. Victor Herd, chairman of America Fore Loyalty, was inducted into Beta Gamma Sigma, an honorary fraternity of honor students at New York University. Each year the organization selects an outstanding leader from business or industry and recognizes him by conferring membership in the honorary fraternity.

Deaths

Mrs. HELEN S. HOWELL, wife of George W. Howell, manager of Mutual Fire Inspection Bureau of New England, died.

E. B. JURGENSEN, examiner with the Kentucky department since 1957, died. Before going with the department, Mr. Jurgensen was with Aetna Fire, Providence Washington and Resolute, and before that was chief examiner of the Connecticut department.

DAVID HINCKLEY, 90, who retired as assistant secretary of Eastern Underwriters Assn. in 1941, died at his home in Basking Ridge, N.J.

CLARA MIELKE, 53, wife of Harold A. Mielke, underwriting manager Celina Mutual group, died suddenly April 5. She became ill at their home in Celina and was rushed to the hospital in Lima, where she died.

EDWARD B. BLATZ, 83, president of Manufacturers Underwriting agency, Brooklyn, died while on vacation in Sarasota, Fla.

ROBERT R. LOCKWOOD, 76, head of the Lockwood agency of Tulsa, died of a heart attack. He founded the agency in 1932. Two sons, Robert R. Lockwood Jr. and Edward H. Lockwood, are associated with the agency. Mr. Lock-

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EDITORIAL OFFICE

17 John St., New York 38, N. Y.
Tel. BEckman 3-3958 TWX NY 1-3080
Kenneth O. Force, Executive Editor
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Jud Higgins, Assistant Editor

CHICAGO EDITORIAL OFFICE

175 W. Jackson Blvd., Chicago 4, Ill.
Tel. Wabash 2-2704 TWX CG 654
John C. Burridge, Managing Editor
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wood was president of the old Sabine Oil & Gas Co. from 1916 to 1930. He was a past president of Tulsa Insurance Board.

PHILEMON HOADLEY, 59, manager of Fireman's Fund at Newark, died of a heart attack at Little Falls, N. J. He joined the organization in 1935 and was successively engineer, special agent and fire manager in New Jersey. He was appointed branch manager in 1957. Prior to joining the company he was with the New Jersey schedule rating office.

J. SIDNEY PHILLIPS, 24, actuary of the Iowa department, died of acute uremic poisoning. He had been ill two weeks. He had been with the Iowa department since October, 1959.

Industry, Buyer Texts Of Guiding Principles For Surplus Lines Given

(CONTINUED FROM PAGE 1)

premium, taxes and all other charges, stated separately.

6. Require the surplus line licensee to file periodically a tax return showing the gross premiums charged for insurance procured, the return premiums on insurance cancelled, and the net premium subject to tax.

7. Require the payment of a premium tax on such business commensurate with the tax or taxes payable by admitted insurers.

8. Provide that the insurance commissioner shall have authority to make regulations in accordance with statutory limitations and to investigate alleged violations. In addition, the commissioner shall have authority to conduct such audits or other examinations of a surplus line licensee as he deems advisable.

9. Subject to judicial review, provide penalties for failure to comply with any provisions of the statute, including the imposition of a fine and the suspension and revocation of the surplus line licensee's license.

10. Provide that such insurance may not be placed in any non-admitted insurer for the sole purpose of obtaining a lower rate or reduced premium.

11. *Recognize the right of an insured to effect insurance, directly or indirectly, with an unlicensed insurer.*

Morrill Succeeds C. L. Morris As President Of IIIS

The Illinois casualty insurance industry has authorized an effort to "let the people know" the high costs and bureaucratic perils of compulsory automobile insurance. It also noted a new trend of Chicago juries toward defense verdicts in automobile cases as aiding the industry in holding back pressure for higher insurance rates.

Thomas F. Morrill

The action was taken at the annual meeting in Chicago of Illinois Insurance Information Service, the public service arm of the 19 principal Illinois-domiciled casualty companes which write the insurance on about 75% of the automobiles in the state.

Representing companies with combined assets which this year passed the $2 billion mark, the directors elected Thomas C. Morrill, State Farm Mutual Auto, president for the 1961-62 term. He succeeds C. L. Morris, Illinois National. Other officers elected: Vice-presidents—Ben C. Vine, millers Mutual of Alton; Robert Leys, Allstate; Darrell L. Achenbach, Country Mutual; Carl H. Neyhart, Economy Fire & Casualty, and Robert Tebben, Farmers Auto of Pekin. Secretary is Royce G. Rowe, Lumbermens Mutual Casualty, and treasurer, W. W. Chalmers, Zurich.

General manager of IIIS is Thomas F. Reynolds.

Seymour B. Orner, LaSalle Casualty, was elected a new member of the board.

The IIIS members noted that both in Cook County and in downstate counties from 51 to 52% of all personal injury cases tried to verdict have been running in favor of the defense for almost a year. This trend has been accentuated in Cook County by ratios of 12 to 1, 17 to 5, 8 to 8, and 11 to 5 for a total of 48 to 19 verdicts for the defense in the past four weeks.

Mr. Morrill has been vice-president of State Farm since 1952. He is past chairman of Insurance Institute for Highway Safety, and chairman of National Assn. of Independent Insurers' traffic safety policy committee.

Ark. Mutual Agents Elect Walton President

LITTLE ROCK—William I. Walton, Arkadelphia, was elected president of Arkansas Assn. of Mutual Insurance agents meeting here for its 16th annual convention last week. Mr. Walton succeeds J. C. McGoogan of Crossett. Other officers for 1961 are: E. L. Mosely, Camden, first vice-president, and S. E. Benton, Conway, second vice-president. Secretary-Treasurer W. D. Roddey Jr. of Warren was retlected.

In an address, "Selling Is Fun," Claude E. Spencer, Danville, Ill., first vice-president of the national association, urged agents to adopt agressive sales techniques. "Do you have fun selling insurance? Or are you in the business only to make a living?" he asked. "If you are having fun, you are successful; if not, I am sorry for you." Citing successful sales approaches, Mr. Spencer said that "fear" will often keep a salesman from doing a real service for his client. "Fear that the buyer will take from him the business he now has keeps many salesmen from doing a good job of selling new products and services."

Describes Agency Advertising

Describing agency advertising as "the fertilizer to produce more sales," the speaker urged that advertising be educational, informative, truthful and sincere and have a dash of showmanship if it is to produce fertile results. He explained the use of various advertising media from the experience of his own agency, emphasizing new and fresh ad methods. "The time for making sales is now," he continued. "Many salesmen, including insurance salesmen, have failed because they planned so much for the future and dreamed so much of success they never got a taste of it. We must live today, make sales today."

Commissioner Harvey Combs reminded the mutual agency group that "the agency system has rendered great service and is still capable of serving the insurance needs of the buyer." An insurance agent or broker should be placed in the same category as highly respected professional men of more than average schooling," he said. An important factor affecting the future of the agents' position is a psychological one, he asserted, the position of agents being a defensive one growing out of the many changes going on in the business. He urged the agency system to adopt "a philosophy of promise for tomorrow, of optimism and a rebirth of spirit."

In his first appearance before the mutual agents since becoming manager of Arkansas Inspection & Rating Bureau last December, E. S. Pavey emphasized that the bureau is a serv-groups. "We must operate unbiased to all," he commented. He outlined the services and responsibilities of the bureau's rating, auditing and engineering departments.

Study is being given to rates on low valued dwellings and the use of a loss constant as a possible solution to rates which are, in the opinion of some underwriters, inadequate for the class he said. He predicted that Arkansas would see the filing of additional package policies in the future, similar to the motel package policy, filed in March, under the new special multi-peril program. Assistant Manager Leland Hoff of the bureau outlined the principle features of the new multi-peril policy program.

Other speakers on the two day convention program included Kenneth Briegel, Merrimack Mutual, who discussed the public and institutional insurance program; and James Steele, Northwestern Mutual, who reviewed problems under the various automobile plans.

A panel discussion on agency problems, with Robert McKinney, Fayetteville, acting as moderator, had as particip natsRoy Helderman, Millers Mutual; John O. Campbell, Harrison; Milton Kidder, Fort Smith, and Harold Campbell, Camden.

Arkansas 1752 Club, held its annual election, renaming Frank A. Smith, Lewis & Norwood general agency, president. Alfred Lynch, American Mutual of Arkansas, was reelected secretary.

Stocks

By H. W. Cornelius of Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, April 18, 1961

	Bid $	Asked $
Aetna Casualty	127	131
Aetna Fire	109	111
American Equitable	22½	24
American, Newark	30	31
American Motorists	17½	19
Boston	33½	35
Continental Casualty	109	111
Crum & Forster	83½	85½
Federal	71	73
Fireman's Fund	59	61
General Re.	134	140
Glens Falls	40	41½
Great American	56	58
Hartford Fire	62½	64
Hanover	43½	46½
Home of N. Y.	54½	55½
Ins. Co. of No. America	98	101
Jersey Ins.	32½	34
Maryland Casualty	41	42½
Mass. Bonding	41	42½
National Fire	127	130
National Union	45½	47
New Amsterdam Cas.	74	75½
New Hampshire	57½	59½
North River	42	43½
Ohio Casualty	29	31
Phoenix, Conn.	90	93
Prov. Wash.	23	24
Reins. Corp. of N.Y.	25	27
Reliance	62	65
St. Paul F. & M.	73½	75½
Springfield F. & M.	39½	40½
Standard Accident	61	63
Travelers	121	123
U. S. F. & G.	52½	53½
U. S. Fire	33	34

Reliance officials at the company's meeting at St. Davids, Pa., to promote the incentive travel plan for agents. Qualifying producers will receive a five day trip to Nassau, Bahamas. From left, standing, are: E. P. Wilbur III, assistant secretary; L. M. Michel, vice-president; A. C. Schuck, assistant manager, western department; W. F. Moses, secretary; W. C. Fox, assistant secretary, southeastern department; K. C. Trotter, secretary, and F. L. Michel, secretary. Seated are S. H. Swart, vice-president; E. H. Brooks, secretary; H. A. Miller, secretary, and P. J. Korsan, vice-president.

Impasse Continues Over How Surplus Line Insurance Should Be Regulated

CONTINUED FROM PAGE 1)

terest in the problem dates from a nasty situation involving fraud charges against some New Jersey producers of surplus line business, and Mr. Wikler's motivation appears to stem from his belief that the McCarran act calls upon the states to regulate surplus line insurance or be prepared to turn that area over to federal authority.

Not much progress was made at the New York midyear meeting of NAIC last December. Most of the time was spent by Mr. Magnusson in explaining the background and the progress made to that point. He indicated at that time that one of the possibilities as an alternative to a model law would be a review and perhaps a reaffirmation of the 10 principles promulgated in 1957. This was the route followed by both the consumers advisory committee and by the all-industry committee Mr. Magnusson appointed in New York to carry out a job of assistance to NAIC under the chairmanship of Robert Gilmore of Assn. of Casualty & Surety Companies.

No Progress Made

What progress was made at the Chicago meeting last week? None. The buyers and the industry people brought in their versions of what the 10 principles should look like in 1961, with the buyers adding one to make it 11. Messrs. Stern and Wikler were not only disappointed, they were mildly angered that the model bill was getting the brush-off. They want specific legislation, and the buyers and industry (the latter not 100% in agreement) don't.

What remains to be determined is whether Mr. Magnusson's committee will settle in its report to NAIC in Philadelphia next December for what the buyers and industry offered last week. Mr. Wikler and Mr. Stern certainly don't want to.

When he opened the meeting, Mr. Magnusson said he was surprised at the turnout. A sheet was passed around for all to sign, and by mid-afternoon there were 47 signatures. At first, it had been intended that the buyers and industry be represented by about four persons each, but the demand for a chance to attend and speak was so heavy that this limitation could not be imposed.

At the head table were Commissioners Hammel of Nevada, Hunt of Oklahoma, Hockensmith of Kentucky, and Mr. Stern of the New Jersey department, Alfred Bennett of the New York department, and F. D. Crum of the Florida department, and Mr. Wikler. Commissioner Edmon Rinehart of Alabama was in the audience, and Director Joseph Gerber of Illinois looked in briefly in the morning.

Mr. Magnusson said he expected the meeting to produce a long discussion of a short agenda, admitting that the parent committee had pretty much been marking time awaiting the results of its two subcommittees—buyers and industry. He introduced Raymond A. Severin of American Metal Climax, New York, who had succeeded Mr. Groves as chairman of the consumers committee.

Reporting for the industry advisory subcommittee, Robert Gilmore, Assn. of Casualty & Surety Companies, chairman, said it was felt by his group that the NAIC drafts were "undesirable as model legislation." Rather than going at the matter as NAIC did by writing a full set of laws, Mr. Gilmore said the industry subcommittee decided to do two things—try to determine the extent of the problem, particularly as to amount of surplus line business done, and work out a set of guiding principles that could serve the states as an up to date version of the principles of 1957.

A fact finding group of the industry subcommittee was appointed, with Ambrose Kelly of the Factory Mutuals as chairman. This group, using the little information available on the subject, came up with a figure of $400 million as the amount of surplus line business done in the U. S. annually. Mr. Gilmore said he feels this is "a very conservative estimate." It covers business processed through surplus line laws and that placed direct. Exhibits were attached to the report showing breakdown of writings by class of business in various states (casualty being the principal in all states shown, with fire and inland marine running far behind), and premiums for some states (Illinois, New York, New Jersey, California, Oregon and Washington). Mr. Gilmore observed that the chief value of the figures is to show how the surplus line market has been affected by the insurance problems of business and industry in the state.

Mr. Gilmore turned over to the committee his copy of the guiding principles without offering comment on them. They are reproduced in full elsewhere in this issue.

The consumers advisory committee,

said Mr. Severin, was "forced to the conclusion" that the NAIC drafts are not good for the public or for buyers. The 1957 principles are adequate to protect the buyers, he said, although they are possibly in need of updating. The consumers subcommittee believes the majority of states either are satisfied with existing laws or "at most would consider it no more than necessary to enact administrative amendments thereto consistent with the substance of principles considered by the NAIC in 1957."

Based On Three Understandings

In meetings between the subcommittees of industry and buyers, Mr. Severin said it became evident that any changes in the 1957 principles would have to be predicated on three understandings if unanimity of agreement were to be obtained. These are: (1) That the guiding principles would be limited in their application to surplus line laws; (2) that the guiding principles would in no manner suggest, prohibit or infringe upon the right of an insured to effect insurance directly or indirectly, with an unlicensed insurer; (3) that the guiding principles would not be so worded as to suggest legislation which would tend to force an insured to place a risk with an insurer financially incapable or administratively incapable of properly underwriting the risk.

The consumers committee had 11 principles to offer, one more than the industry group, and has reached agreement on all but three of them and these are acceptable in all but the language.

Mr. Severin stressed that his group strongly believes there should be direct affirmation that the buyer has the fundamental right to place his insurance wherever he pleases.

What study, asked Mr. Stern, was given by industry or the consumers to the problems involved in having to have regulation to cover placements in companies not financially sound or to provide sufficient security over transactions to prevent fraud by a producer?

Very Much Aware Of Issues

Industry is "very much aware" of these issues, Mr. Gilmore replied. Those in the room wouldn't have had to be in Chicago at all except for what happened in New Jersey. But, then, that wasn't an insurance question so much as "skullduggery" in money manipulation. Point 2 of the principles looks to company solvency.

Point 2 "completely ignores the small buyer in favor of the big buyer," Mr. Wikler charged. The principles are only a step short of writing a bill and suffer from the weakness of being open to 50 different interpretations.

"I thought we were coming here to consider a bill, not a rehash of principles," he added, saying he felt the new principles are in fact a downgrading of those of 1957, not an improvement.

Mr. Gilmore and Mr. Severin disagreed with Mr. Wikler. Mr. Gilmore pointed out that his committee was split on a number of questions. Some were for a model bill, others unalterably opposed. The principles represent a consensus. The NAIC drafts started without knowing where they were headed. The principles with great care are tied only to surplus line laws, not direct placement, as are the drafts. Mr. Gilmore indicated he didn't think direct placements could properly come under legislation of this kind.

Mr. Severin agreed with Mr. Gilmore and stressed in addition the right of a buyer to buy where he wants.

"What about your stockholders and bondholders in these matters of solvency when you buy insurance—do you ever think of them?" asked Mr. Wikler.

"Mr. Wikler, half of my gray hairs are caused by my concern with getting adequate coverage that will pay off," Mr. Severin answered. He said he hasn't seen much record of solvency problems in the non-admitted market.

Mr. Groves told Mr. Wikler he was on a wrong premise when he asked about stockholders. Most insurance of big corporations is bought in the U. S., but business has to buy what it can get for what it's worth. U. S. business wants to use the U. S. market and isn't shopping for price by and large. Yet when a corporation has to insure new hazards or new concepts of hazards and finds its best and quickest insurance is the foreign market, then a law which won't permit such purchases in the foreign market will stifle business progress.

Can Be Other Motivations

Sometimes, Mr. Wikler charged, there are other motivations than business progress. At the committee hearing in St. Louis a steel company told how it obtained lower rates in London on a risk that in this country everywhere is classified as non-preferred.

Nathan H. Siegel, secretary Detroit Steel Corp., rose to explain his was the company involved, but Mr. Wikler's description of the case was a distortion of what was said in St. Louis. In the U. S., Mr. Siegel said, a risk is either acceptable for superior treatment or it isn't. There is no middle ground. Certain things are anathema to underwriters here. Business has to be written precisely by the book, regardless of differences each risk may present. Underwriters look at exposures as though they suffered from rifle barrel vision and they rate a risk by a formula that can, for the would be insured, turn out to be "wholly unrealistic." To obtain adequate coverage may involve 40 to 60 policies in domestic companies, and this doesn't take into account such problems as the difficulty or impossibility of getting an agreed amount

clause, automatic coverage on newly acquired buildings, or a deductible.

Suppose the risk used the U. S. market—the American companies would reinsure in London anyway, "so where does this leave the buyer for Detroit Steel?"

Some part of the risk may be reinsured abroad, Mr. Wikler conceded, but at least the buyer has his contract with companies here and the primary company is liable to the buyer for the whole amount of the insurance.

"Would you be satisfied if Detroit Steel organized a $300,000 company and bought its insurance through it, while really doing exactly the same as it has been doing?" asked Mr. Siegel.

Mr. Wikler indicated this wasn't the solution he was seeking.

Mr. Stern observed that Mr. Gilmore had indicated fraud by a producer couldn't be controlled by the proposed legislation, but in California there is a surplus lines examining office which the producers run voluntarily. It has worked because it recognizes and solves problems of the field. All business placed must be filed, it is reviewed as is the effort to use the domestic market, and the office has a chance to determine something about the companies taking the business. The possibility of fraud in transactions studied in this way is considerably reduced. Mr. Stern pointed out that the proposed model bill only would have the examining office run by the state rather than the producers.

Must Protect Smaller Buyers

There is a serious problem of protecting smaller buyers in the area of dealing with solvent companies, Mr. Stern added, and the model bill is intended to solve this problem.

What Mr. Stern wanted to know was why the model legislation, having such purposes, was being rejected.

Assn. of Casualty & Surety Companies opposes, to cite an example, the provision calling for a list of so-called eligible insurers as unsound, Mr. Gilmore said. It objects also to the provision which makes certain coverages automatically exportable.

What are the glaring instances of fraud and insolvency? Mr. Severin wanted to know. At least in the case of company failures, he observed, the ratio preponderantly favors the unregulated companies.

Mr. Groves said the buyers don't like to see U. S. insurers beaten by alien companies. And the buyers don't disagree with uniformity as such, but the heterogeneity of the consumers committee as to types of business and differences of problems is such as not to allow agreement on a proposed bill.

The U. S. insurers don't like a list of eligible surplus line insurers (a white list), Mr. Wikler commented, but they don't object to a blacklist. He couldn't follow that reasoning. A blacklist is made up after the fact while a white list is made up in advance of trouble.

Don't Like White List

The domestic, strictly regulated companies don't like the imprimatur a white list gives the non-regulated companies, Mr. Gilmore explained. It is semi recognition of them that isn't compatible with the differences in regulation.

National Assn. of Insurance Brokers didn't take a position for or against the model law, but went along with the industry committee, Barclay Shaw, counsel of NAIB, explained. He said the brokers are always ready to discuss model legislation.

C. F. J. Harrington, executive vice-president National Assn. of Casualty & Surety Agents, said he understood at St. Louis that the reason for preparing a model bill was to have something to offer the states lacking surplus line legislation, and there are only five of these. Model legislation such as has been proposed certainly is disproportionate to this problem, he observed. If the idea is to have it enacted in all the states, California will never accept it, for example. Mr. Harrington said these points do not encompass his objections to the bill itself as a burden to the public and a threat to the producers.

Mr. Magnusson said the idea of a

model bill is that it can be used to amend existing statutes as well as fill the void in the five states.

J. R. Berry, general counsel of the National Board, said his organization is opposed to the model bill. It fears it would tear down the rate regulatory system by enacting into law a different system for non-admitted business. There is a delicate balance of viewpoint between the regulators, the buyers, and the admitted market insurers, and the guiding principles offered by industry represent the best solution for all three that can be made at the present time, he said. What happened in New Jersey could happen under the tightest kind of regulation. Perhaps NAIC is straining too much to cover every kind of situation, he suggested.

Agrees With Berry

Mr. Groves agreed with Mr. Berry's statement, emphasizing that NAIC can't expect to do too much at one time or to solve the whole problem with a single legislative enactment. In the final analysis the issue will have to be decided in the state legislatures, he pointed out, and for that test the bill will need the wholehearted support of all segments of the business involved. The guiding principles offer the approach to agreement between industry and the buying public, but progress will have to be made in the direction of giving U. S. companies the opportunity to compete.

Mr. Siegel commented that there are about 1,500 members of American Society of Insurance Management, large companies and small, and they are opposed to the model bill. The industry advisory committee, while diverse in its makeup, is at least lukewarm. Donald McHugh, counsel to the Senate anti-trust and monopoly subcommittee, told the buyers last Dec. 7 that there is no mandate arising from the O'Mahoney hearings for a uniform surplus lines law. If the buyers, the insurers, the producers and the government don't want a bill or think it is necessary, who is really for it, who is persisting in pushing it? Mr. Siegel asked.

Mr. McHugh does seem to have changed has view, Mr. Magnusson admitted, and this is an amazing development. Mr. Magnusson said he has written Mr. McHugh about this switch, but hasn't had an acknowledgment to his letter.

Open To Federal Government

Mr. Wikler said the McCarran act states that the areas the states don't regulate are open to the federal government. The states have to find a solution in the surplus lines field, because presently in most states the problem is being met by something entirely different from what is needed.

Richard W. Bland of Panhandle Eastern Pipe Line Co., cautioned that point 10 of the guiding principles poses a problem for regulated utilities. This deals with using the non-admitted market to get a lower rate. He said it is incumbent upon utilities to insure at the lowest possible cost, and if they do so through the non-admitted market, the cost is computed in the rates. If a commissioner finds against them and causes them to insure from another source, the additional rate becomes a cost of doing business.

George E. DeWolf of Jewel Tea Co. said the reason the buyers had little comment on the third draft of the model bill is that it is so overpowering in its size and scope that it would be a tremendous task to bring up every objection. However, he mentioned several points with which he was in disagreement or which posed problems of difficulty or legality. He wondered whether the commissioners are ready at this time to declare just how insurance is to be exported. It might be better to let the states have their own law for a while to determine what works best.

No Specific Law

In Alabama, Commissioner Rinehart of that state said, there is no specific surplus line law. Anyone can buy from the non-admitted market if he pays the 4% premium tax, but there does seem to be the problem of collecting the tax. If no additional laws were enacted, he wondered if the buyers would allow the state to audit their books to see if any surplus line business was involved and to check to see if the tax payment had been made.

Mr. Severin pointed out that the fact that a surplus lines law is on the books won't guarantee the collection of a tax. This is a local administrative problem.

Mr. Rinehart wondered what is unworkable about a list of acceptable for export coverages.

It is a great administrative burden on the departments and the companies, Mr. Gilmore answered. Company people would have to examine lists from 50 states on which there would be hearings at least once a year, so there would be company personnel attending hearings almost constantly on this question alone. This is not a sound way to operate a surplus line business, he observed.

Cameron Brown of George F. Brown & Sons, Chicago, questioned whether a model bill is necessary. California, Illinois, New York and Florida have their types of legislation. The kinds of surplus lines business written vary by area.

Mr. Brown had five single spaced typewritten pages of problems that he has found in the commissioners' draft. These are matters he doesn't believe will or can work. In fact, he remarked, a perfect bill would mean that all surplus line business would be done from Bermuda or Montreal because there would be too tight a squeeze in the U.S. States would lose the taxes on surplus lines and the U. S. brokers would fade out of the picture.

For many years in Illinois all surplus line fire risks, perhaps as many as a thousand a month, have been bulletined to all companies, but hardly ever does a domestic admitted insurer indicate an interest in any of the business. The American companies aren't complaining that business is being stolen by the non-admitted market, Mr. Brown pointed out.

Must Find Means

Mr. Stern, however, said he is convinced it is desirable to find a means of writing a model bill; not necessarily immediately, but it needs to be done in the long run. He noted that the larger buyer has special problems that other people don't have. As sophisticated purchasers of insurance, corporate buyers don't need the protection the bill seeks to offer even though their insurance needs are greater. The third draft is not the last word, Mr. Stern admitted, but it does offer a base from which to work.

He observed that the guiding principles mention a trust fund, but there is no definition of it. This is something somebody is going to have come to grips with.

Believes Guidepost Inadequate

The guiding principles also mention that a company should be licensed in at least one state, but Mr. Stern doesn't believe this is an adequate guidepost. This leaves the matter up to degrees of regulation, and variances of regulation up to 50.

What problems could be solved by model legislation? Mr. Stern asked. He answered that they include:

—Persons buying in the non-admitted market without knowing that the companies insuring them are sound.

—Rules for determining that diligent effort has been made to buy in the U. S.

—Definitions of and penalties for fraud.

—Provision for equivalent tax on surplus and admitted insurance transactions.

—Rules allowing an easy access to

the non-admitted market once it is determined U. S. companies won't write the business.

The model bill covers diligent effort, solvency of non-admitted companies and producer fraud, Mr. Stern pointed out. In other words, it covers the areas he would like to see under definitive regulation.

To the objection of companies to a white list while they don't object to a blacklist, he said it is easier to pick good companies and let the business know where the department stands than it is to try to pick the bad ones and imply that anyone not on the list is O. K.

He doesn't think that a list of exportable coverages is a vital provision of the bill, certainly not vital enough to him to have it be a stumbling block to agreement.

It is not a sufficient reason to kick out the bill simply because it needs a lot of revision, Mr. Stern declared. He doesn't mind objections to specific provisions, so long as he can get across the understanding that legislation is needed.

To the idea that a stamping office

Department men on hand for the meeting in Chicago last week of the unauthorized insurance committee of National Assn. of Insurance Commissioners, from left: Commissioners E. L. Rinehart of Alabama and Joe B. Hunt of Oklahoma; F. D. Crum of Florida; Cyrus E. Magnusson, Minnesota, committee chairman; Commissioner Paul Hammel of Nevada; Julius S. Wikler, counsel to the committee; Alfred C. Bennett, special counsel to the New York department; Lawrence E. Stern, New Jersey deputy.

Photo by Harry H. Fuller, National Bureau liaison man with insurance departments.

wouldn't work because there is not provision for how it is to be financed, he said the increased premium taxes will easily cover any costs.

Mr. Magnusson called on the department people at the head table to express their views of the bill and the points that were raised during the hearing.

Alfred C. Bennett of New York said the guiding principles offered by industry and the buyers leave a great deal open—this type of solution was not what he had hoped for.

Becomes 'Approved List'

New York issues a blacklist, and Mr. Bennett explained that a white list invariably becomes an "approved list," and the companies on it get more recognition of implied regulation than the licensed companies do that are subject to stricter rules.

Mr. Bennett suggested the idea of an NAIC subcommittee of experts that would keep up-to-date on the financial conditions of non-admitted companies and prepare a national list of companies doing a surplus line business that could serve as a minimal guide to departments and possibly producers.

Mr. Wikler said the type of performance put on by the buyers and industry at the hearing was not an answer. The problem can't be ignored. The small buyer is getting taken in the non-admitted market, not the big one, he declared. He urged the opposition to a model bill to be realistic and recognize that a problem exists, that the government knows it, the states know it, "and to do nothing is compounding the felony." The U. S. companies have been indicted for not responding to the needs of their own market, and this may call for some study if time after time the alien insurers can come up with tailor-made coverages and the domestic companies can't. He referred to the maritime commission's coverage on its ship mortgages as an example.

William B. Pugh, North America, responded to this by saying that the states are holding the domestic companies down by not approving new policies and new forms. Solving the problem won't be done by criticism, he remarked.

Make Safe Market Available

Paul Hammel of Nevada said the purpose of a model bill is to make available a safe market. If there were no need for a law there wouldn't be some type of legislation in the majority of states already. Mr. Hammel also made the distinction between the large buyers and the small ones.

He observed that the need for a uniform law has been questioned, but the constant complaint of industry and buyers in other lines is that the laws aren't more uniform. Even so, model laws don't go on the books unaltered, they simply serve as guides to fill the needs of different areas.

The problem won't be dropped, Mr. Hammel declared. NAIC is going to come up with something because it takes more than guiding principles to solve this issue.

F. D. Crum of Florida said he feels there is a misunderstanding over the meaning of some sections of the model law. For instance, some people feel the export list means these are the only coverages that can go to the non-admitted market. Actually, any coverage can if it is not acceptable to the domestic companies. Mr. Groves asked what is diligent effort under the Florida law, and Mr. Crum replied that each case is judged on its merits.

Joe Hunt of Oklahoma remarked, "This is all very enlightening. I thought I had the problem solved until everybody confused me with the facts." He said he favored the Bennett plan for NAIC to have a group evaluate companies. The nationwide marine definition offers a precedent for setting up a list of coverages of a special nature, he remarked.

"The federal government is breathing down our backs," Mr. Hunt said,

"and Mr. Wikler here is trying to help us out. We may not agree with all he says, but at least he is carrying the flag and hollering mother."

Mr. Gilmore expressed disappointment that the committee felt the industry group hadn't made much of a contribution. He said the drafts cover too much and prescribe before the disease has been diagnosed. There is more to be done to determine the size of the problem, and he suggested research before going ahead in an area that is truly relatively new to nearly all in the business.

The all-industry committee, as a committee, didn't study the bill, Mr. Gilmore admitted, but all the members were familiar with it individually. An approach was taken away from the bill because the committee could only agree if that tack were taken. The committee report, he declared, is a contribution pointing the way that NAIC and industry can do a job.

Are Laws Perfect?

Mr. Groves wondered if New Jersey and Florida, with their new surplus lines laws, would make changes in them, and drew nods indicating yes from Mr. Stern and Mr. Crum. Yet, Mr. Groves observed, the committee is suggesting that all states change to a model. Maybe it would be more to the point to wait for experience under the new laws of Florida and New Jersey and see if they wouldn't offer a good working base.

Mr. Groves wondered how the Bennett committee idea would work with alien companies. He elicited from Mr. Stern the information that New Jersey has refused about 15 U. S. non-admitted companies white list sanction in that state, but only two or three alien companies have been turned down.

He agreed with Mr. Pugh that the U. S. companies have been hampered in their efforts to provide a market.

Mr. Pugh said there has been a lack of knowledge in the surplus lines field. Much needs to be learned. The U. S. companies need more freedom. If it is put into law that certain coverages can be written by the non-admitted markets without restriction as to rate, form or classification, then the admitted companies deserve the same freedom.

Chicago chapter of Society of Fire Protection Engineers will hold its annual corn beef and cabbage dinner May 2 at St. Jude's Hall.

Agents Want State Regulatory Action

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public. Since this seems clearly in the best interests of agents over the country, the companies are at a loss to understand the reasons for the vocal opposition of agents.

However, Porter Ellis of Dallas, NAIA president, in his address to the joint NAIA-EAC session, reiterated very strong opposition to no prior approval. He said it was time agents began to exert the power and influence they have and make their views felt.

Morton V. V. White of Allentown, Pa., chairman of NAIA's federal liaison committee, at the EAC meeting, expressed strong objection to the file-and-use system and predicted that mergers of companies and agents and many bankruptcies of both would follow such legislation.

John R. Barry, president of Corroon & Reynolds, expressed again his strong endorsement of the bureau, regulated way of handling the rating problem. Following a colloquy among state national directors, it became clear that the position of NAIA is to take no position whatsoever on any so-called model bill but to leave state rate regulation along with other legislation up to the individual state. Mr. Ellis said NAIA would dislike to see the Gerber committee come out with a model bill. The agents are for states rights.

M. Frank McCaffrey of Detroit said he and his association is violently opposed to file-and-use because under such a law there is no local reality. The agent can go to bed Friday and wake up Monday to find his commissions have been cut. With no prior approval, companies can do it and have tried to do it in Michigan. He said he trusts and likes companies but company executives have jobs to do and if they don't do them, companies will hire others who will. In brief, the policy of NAIA with respect to rate regulation is that it is opposed to model bills. As to prior approval, each state will make up its own mind.

The Big I advertising campaign was approved for the year ahead with the built-in 10% increase. Doremus & Co.'s staff, headed by Frank Schaffer, presented the program in film. Indiana voted for the program, Washington and Oregon voted no. Joe E. Vincent of Bryan, Tex., outlined a program now being developed which would concentrate all advertising into one effort. This is called CAPE, "Coordinated Advertised Planned Endeavor." It will be unveiled at the annual meeting in Dallas. States that have subscribed 100% of their basic contribution to the Big I program, Mr. Vincent reported, are Alabama, Arizona, Colorado, Connecticut, Delaware, District of Columbia, Florida, Indiana, Mississippi, Nebraska, New Hampshire, North Carolina, South Carolina, Tennessee, Virginia and Utah.

There was quite a flurry when state directors voted to have a closed session and exclude state secretaries. This was reconsidered after argument and the secretaries were invited to attend. The session dealt with several matters, including discussion of NAIA's position on direct billing and possible change in it but nothing came of it.

Maurice Herndon, manager of the Washington office, and Mr. White discussed the legislation proposed in Washington to change an Internal Revenue Service ruling on the non-deductibility of dues spent by a trade association in lobbying. George S. Hanson, general counsel, discussed the ruling, made in connection with the electrical industry, that if 10 or 15% of dues are spent in legislative work, it would be non-deductible to the member.

Mr. Herndon said he was going to call for all out effort by agents to get through the proposed bill that would modify the ruling. Mr. Herndon also expressed his belief that surety will be the subject next taken up by the Senate anti-trust and monopoly subcommittee. Sen. Dodd of Connecticut will handle the chairmanship. Mr. Herndon said he has been quoted as saying that he feels no responsibility for the insurance companies in his state and that he has had a lot of complaints about the business.

The new officers of EAC are Frank J. Lowrey of Pawtuckett, R. I., chairman succeeding Arthur L. Schwab of Staten Island; William J. Graul of Allentown, Pa., and Ira Weisbart of Jersey City, vice-chairmen, and James Gorges of Baltimore, secretary-treasurer. The 1962 meeting will be held in Providence and the 1963 meeting in Hartford.

One of the unexpected dramas of the convention was supplied by Frank N. Polis of Stamford. He received a telephone call while in the meeting asking him to call his office. While he was out of the room, he won a door prize. The phone call was about a sizeable fire loss of an insured. The door prize was an ash tray.

Senate Anti-Trust Unit Comments On 1960

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ment of National Board Assn. of Casualty & Surety Companies, Inland Marine Underwriters Assn. and National Assn. of Independent Insurers upon principles of rate regulation which closely parallel provisions of the model fire and casualty bill proposed for the District of Columbia.

The report calls attention to the possibility of widespread tax abuses via foreign reinsurance subsidiaries. NAIC developed a model surplus line law. The committee suggests "that the Treasury Department is contemplating appropriate recommendations for changes in the income tax laws or further action at an administrative level to correct some of these abuses."

Problems in the rating field posed the most crucial issues considered by the subcommittee in its appraisal of the effectiveness of competition as a regulator of the insurance business, the report states. The committee says its report on this subject is in preparation and it is expected that it will be available at a very early date.

National Fire Promotes Six At Home Office

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ceeding Vice-President C. J. Adams who has accepted a position in Chicago as general claim attorney for Continental Casualty, the parent company of the Continental-National group.

Mr. Goslee started with National Fire in 1946 and the next year was appointed special agent at Albany. He was named state agent in 1957 and agency superintendent in 1960. He will continue to be responsible for agency production and field supervision in the New England states.